

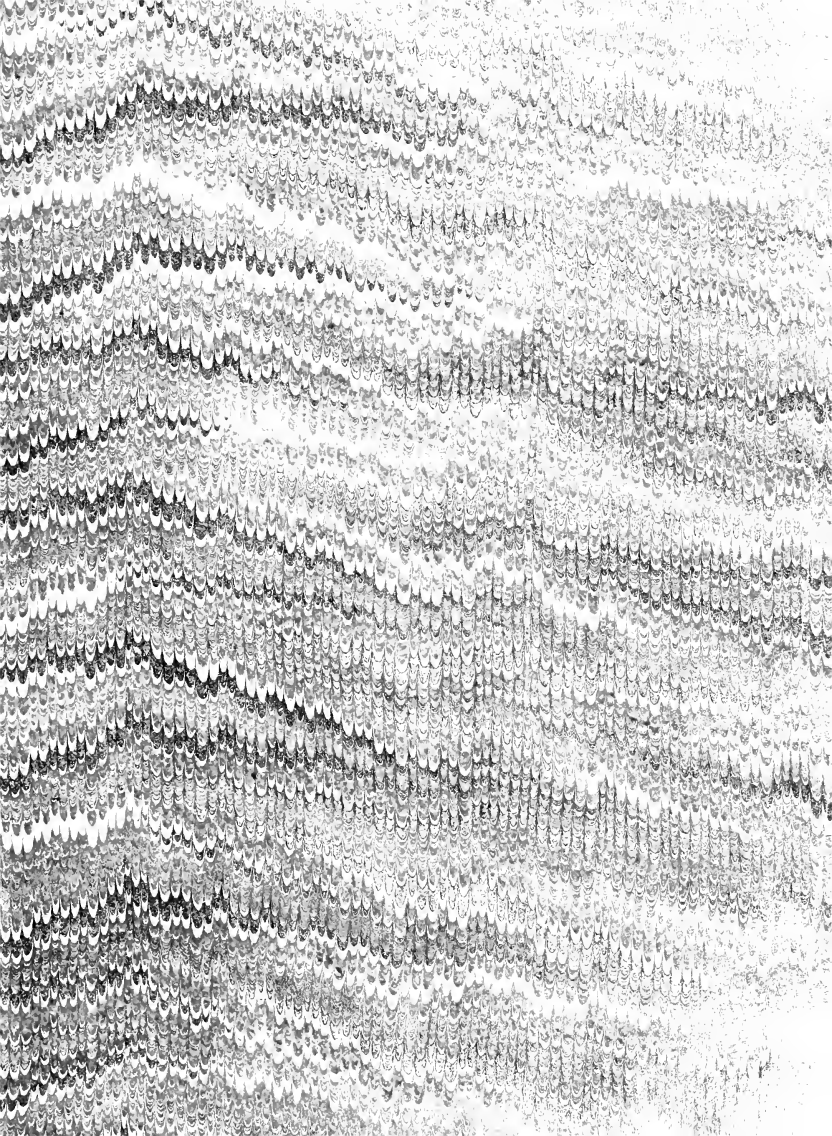
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This paper is an effort to trace the development of the public highways of Alabama, together with their influence upon immigration and the settlement of the state; to show what has been done within the State by the Federal Government in improving rivers and harbors and in aiding the construction of railroads; and to discuss the policy of the State on the question of public aid to such works. The State Bank of Alabama is so closely connected with the early finances of the State that it has seemed necessary to treat at some length the history of that institution. The failure of this banking scheme, the assumption of the debts by the State, and the consequent high rate of taxation checked the spirit of public aid to internal improvements at the very period when other states were re-creating in their support of such works.

I wish to acknowledge my indebtedness to Mrs. Herbert B. Adams and J. L. Vincent, from both of whom I have received helpful instruction as to methods of historical study; also to Dr. J. C. Ballagh for the suggestion of the topic and for his continued interest during the progress of the work.

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CHAPTER 1.

THE DEVELOPMENT OF HIGHWAYS.

INDIAN PATHS- From Indian trails to trade routes, from trade routes to pioneer roads has been the line of evolution along which the public highways of Alabama have developed. When the curtain of Alabama's history first rises the Cherokee Indians were dwelling in their mountain homes in the north-east portion of the state. West and south-west of the Cherokees were the Chickasaws whose territory included the greater part of the Tennessee Valley, embracing the north-western tier of the present counties of Alabama, reaching westward as far as the headwaters of the Yazoo River in the State of Mississippi.

The western and south-western portion of the state were occupied by the Choctaws, "The Maubilians with whom DeSoto came in collision on the lower Alabama and the Tuscaloosa, and partly exterminated"¹. Their territory reaching westward from the Tombigbee River, covered all that part of the present state of Mississippi which lies south of latitude 35° 30'.

East of the Choctaws were the Muscogees or Creeks.

"When first known to the white colonists" says Brewer, "This
1. Brewer: Alabama. Page 16.

domain stretched from the Tombikbee to the Atlantic, but they were gradually driven west of the Ocmulgee and Flint. Their principal towns were on the Tallapoosa and Chattahoochee. Their war trail extended to the Mobile Bay and the Florida Everglades". "The Hillabees", the same author continues, "Autaugas, Cussetas, Mufaulas, Ocmuskeos, Uchoos, etc., were names which attached to the Muscogees residing in those towns"!

We thus have a general line of Confederated Creek² towns dotting the territory of Alabama and Georgia, the most easterly of them being located on the site of the present city of Augusta³. Each town had its own "mico" or king, but there was a Grand Chief of the Confederation, who presides over the National Councils and led them to battle. The Capital of the Nation was Tockabatcha, on the Tallapoosa River, a few miles above its confluence with the Coosa, and here the chiefs and representatives of all the towns gathered annually, in May, to consult on matters of general interest. The towns were brought in touch also by social features, it being a regular custom, for example, for warriors of one town to challenge those of another for a game of ball, their national

1. To gather in village communities was characteristic of the Creek Indians. Thus Bartram in his "Travels" (Page 463) tells us that there were in 1777 "Fifty-five towns, beside many villages not enumerated".
2. The Muscogee Indians were all called "Creeks" by the English explorers and traders on account of the many beautiful rivers and streams which flowed through their extensive domain. Pickett: Vol. 1. P. 19.
3. Pickett: Vol. 1. P. 81.

amusement. The challenge having been accepted, the contestants would repair to the appointed spot, followed by throngs of their respective townsmen, and the battle would be fought amid the shouts of their enthusiastic spectators. This constant contact, town with town, not only resulted in a network of paths running from village to village, uniting the "Upper Creeks" on the Coosa and Tallapoosa rivers with the "Lower Creeks" on the Chattahoochee, but also produced a well beaten, clearly marked line of communication from the eastern boundaries of Georgia to the western portions of Alabama. This main path, known as the "Southern Trail" led in early times probably from the site of the present Augusta, crossing the Oconee River just below Hillsborough, striking the Ocmulgee at the foot of the Ocmulgee fields,¹ proceeding westward to Coweta (near Columbus) where the Chattahoochee was crossed, thence across the Tallapoosa at Tuckabatcha, then almost due west to the Coosa, then up the river to "Coosa Old Town" (in the fork of the Talladega and Kiamulgee Creeks) and from here moving westward across the Cahaba River near Cahaba Old Town and thence into the settlement along the Tombigbee, and running still further to the north-west reaching the Chickasas in north-west Alabama and north-east Mississippi. From Coosa there was also a trail running south-westwardly into the Mobile country.²

1. Bartram: Travels, p. 52. These fields were about 70 or 80 miles above the confluence of the Oconee and Ocmulgee rivers.
2. See map in American Geographer, Vol. 1., London, 1763.
Reproduced in Winsor's Westward Movement, Page 81.

Another route leading from the Georgia Country, called the "High Town Path", "started from High Shoals on Apalachicola River, which is the southern branch of the Oconee River, and went almost due west to 'Shallow Ford' of Chattahoochee River, about twelve miles north of Atlanta, Georgia, in the river bend".¹

Continuing, the trail led to High Town or Stovall, and the other towns bordering on the Cherokee district and finally reached the Chickasaw Country. There were many other similar paths but for our purpose these are the two most important, as the traders from the Carolinas and Georgia followed this general system of paths in penetrating the interior of Alabama and reaching the various Indian tribes with their wares.

TRADING ROADS- In 1703 the French established on the Mobile Bay, at the mouth of Dog River, "Fort St. Louis de la Mobile", the first white settlement ever made in what is now Alabama. These French Colonists, anxious to gain the friendship of all the Indians on the Mobile River and its tributaries, proceeded at once to send out emissaries that treaties of peace and trade might be made. This point, Mobile², early became the Capital of French America. Their plan was to form a strong line of

forts,³ along the Mississippi Valley, from the Gulf to the

1. Gatschet: Migration Legend of the Creek Indians. P. 151.
Here the path is called "High Tower Path" but should be as above as is shown in Carey's American Atlas. (Philadelphia, 1796) Reproduced in

Great Lakes, and thus prepare themselves to resist the pressure of the expansive English, and to control the trade of the Indians.

But the Colonists of Carolina, as is characteristic of the English stock, had already heard "the voice of duty", had already taken up the "white man's burden" and were carrying some of the "blessings of civilization" to these Indian tribes. These pioneer traders had two paths, one leading from Charleston by the Indian town Keowee (near the source of the Savannah River and where Fort Prince George was built in 1755) thence westward along the ridge dividing the tributaries of the Tennessee and Savannah Rivers, thus practically following the boundaries between the Creek and Cherokee towns, and then following, at will the "High Town Path", already described, and leading ultimately into the Chickasa Country.

Another route, and the one most formidable to French interests, was the old Indian trail mentioned above as the "Southern Trail". At a very early date the Carolinians had established Fort Moore, near where the present Augusta, Georgia, is situated, as a frontier trading post. Hard by.

- Winsor's Westward Movement. P. 385. The path was s. called from the village "High Town" the most northerly town of the Creeks.
2. In 1711 the Fort was moved further up the bay to the mouth of Mobile River, thus establishing the present site of Mobile.
 3. Among others may be mentioned Fort Toulouse, established in 1714, at the confluence of the Coosa and Tallapoosa; Fort Tombecbe, in 1765 on the Little Tombigbee River, at

on the same river, was Silver Bluff "a pleasant villa, the property and seat of G. Golphen, Esquire, a gentleman of very distinguished talents and great liberality, who possessed the most extensive trade, connections and influence, amongst the south and south-west Indian tribes, particularly with the Creeks and Choctaws".¹ This being the site of an old Creek town, as already mentioned, and being the terminal point of the old Creek trail, accounts in a measure for the location of these three points. Along this trail the traders and emissaries from Carolina pushed their way into the Creek Country, and the Georgians after the founding of their colony in 1733, at once proceeded to add their numbers in pushing the Red Man westward and following him with their wares.

The French usually carried on their trade from Mobile by River; there was, however, a land route to Fort Toulouse.² There was also a good road running through the Choctaw Country west of, and not far from the Tombigbee and Mobile Rivers by which the Choctaws traded with the French. Another

what is now Jones' Bluff; Fort Assumption, on the Chickasa Bluff, now Memphis, here a trading post was established by LaSalle as early as 1673; Fort Duquesne at the mouth of the Monongahela near Pittsburg, in 1754.

1. Bartram, P. 312.

2. Fort Toulouse was built by Bienville in 1714, near the junction of the Coosa and Tallapoosa Rivers, a strategic position for controlling the Indian trade. Upon its abandoned site was erected Fort Jackson a century later. To checkmate this French move the Georgia colonists built a stockade about forty miles further up on the Tallapoosa, and this fort, Ocfuskee, for several years served as the rendez-vous of the British traders. Pickett; Alabama.

road ran from Mobile to the Chickasa towns.¹ There were, likewise, routes by which the traders from Pensacola reached the Choctaws and Creeks.

These main routes, intersected as they were by many hunting paths, were not easily followed by any but a "good woodsman" as the pioneer Methodist preacher, Lorenzo Dow, notes of his trip in 1806 from the Oconee River to the Hatchee Country. Although he had provided himself with a map and with a compass he frequently lost his way, the one on whom he "depended as guide knowing nothing about the roads". The distance of four hundred miles from the Oconee to the Alabama rivers he made in thirteen and a half days.

In 1776 the English botanist, Bartram, joined a company of traders in Georgia, and with them made the trip through the Creek Country to Mobile. Of this he gives us an interesting sketch,² from which we may gather some idea as to the modes of travel along these roads. The band, consisting of twenty men and sixty horses, fording the Oconee, the Ocmulgee, and the Flint, pushed westward to the Chattahoochee at Uchee Town (near the present Columbus) where the Indians carried their goods across in canoes. Then the traders disperse among the Indian towns while Bartram reaches his way to Mobile.

1. Dow's Life & Works. Page 101.
2. Bartram's Travels. P. 377-461.

Passing Coolidge, a trading center near the junction of the Coosa and Tallapoosa, he moves along parallel with the Alabama near the present site of Montgomery. Here the trail bears away to the South, leaving the Alabama at some distance, crossing the head waters of the "Schamie" (Escambia) River and finally reaching Tacasa about thirty miles above "Fort Conaco" or City of Mobile".

He returned in November, 1777, by practically the same route, with another trading band consisting of the "chief trader", two packhorsemen, with twenty to thirty horses, sixteen of which were alternately loaded with packs of one hundred and fifty pounds each. "They seldom decamp", the author declares, "until the sun is high and hot; each one having a whip of the toughest cow skin, they start all at once, the horses having ranged themselves in regular Indian file,----- then the chief drives with the crack of his whip and a whoop or shriek, which rings through the forests and plains----when we start all at once, keeping up a brisk and constant trot, which is incessantly urged and continued as long as the miserable creatures are able to move forward;--- every horse has a bell on which being stopped when we start in the morning with a twist of grass or leaves, soon shakes out and they are never stopped again during the day. The constant ringing of the bells, smacking of whips, whooping,

and too frequent cursing these miserable quadrupeds cause an incessant uproar and confusion inexpressibly disagreeable". The merchandise was conveyed across the swollen streams on rude rafts made of trunks of trees and bundles of cane bound together by vines and withs. A narrower stream they would cross by a "sawling felled across it which is called a raccoon bridge". Over this the traders could lightly trip with a load of a hundred pounds, while Bartram, "was scarcely able to shuffle himself along over it astride". "A portable leather boat about eight feet long, of thick sole-leather, rolled up and carried" on their horses was another device these traders employed in crossing streams. These boats with the help of a few sawlings for "keels and gunwhales" could be rigged up in half an hour and would carry "ten horse loads" according to Adair. The latter tells us that "few take the trouble to paddle the canoe, for as they are commonly hardy and also of an amphibious nature, they usually jump into the river and thrust it through the deep part of the water to the opposite shore"!

1. Adair: American Indians; London, 1793.

Adair was an English trader who resided for forty years among the Creeks and long held them to the English side in spite of the efforts of the French.

FEDERAL ROADS-- The clauses in the Constitution of the United States which empower the Federal Congress "To provide for the Common Defense and general Welfare" of the Nation and "To establish Post Offices and Post Roads", subject as they have been to very elastic interpretations, form the basis upon which has been founded the policy and practice of internal improvements by the Federal Government. We find that James Madison in 1796 advocates the examination and survey of a "general route most proper for the transportation of the mail from Maine to Georgia."¹

By act of May 17, 1796, it was declared that "Three tracts of land, not exceeding one mile square each" should be granted to Ebenezer Vance for opening a road from Wheeling, to Limestone (Maysville, Kentucky) and for the establishment of ferries over the Muskingum, Rocking, and Scioto Rivers.² This road as will be seen, lay throughout its entire length in territorial lands, and was the first item in internal improvement to receive aid from the Federal Government. "From that day to the present" (1824), says Benton, "Congress has been making these roads without reference to the Constitution, because universally held that the Constitution did not extend to the territories. In my thirty-two years of congressional service I can well say, I never heard a question

raised about the right of Congress to make in the territories

1. Benton: Debates of Congress. Volume 1. Page 637.

2. United States Statutes at Large.

the local improvements which it pleased. I have seen members of all political schools constantly voting for such objects--the strict constructionist generally inquiring if the road was limited to the territory, and voting for the bill if it was".¹

The theory was that no state sovereignty would thus be infringed upon; Territories are the "property of Congress, subject only to the condition upon which they were ceded by the states or foreign nations, and Congress acted with them without reference to the Constitution of the United States",² but according to the Territorial ordinance of July 13, 1787 which had been given them by Congress and which the latter could modify.

Under Act of May 8, 1800 the Secretary of the Treasury was empowered to have "Viewed, marked and opened such roads within the territory north-west of the Ohio as in, his opinion, will best serve to promote the sale of the public lands in the future"³ For this purpose six thousand dollars were appropriated from the monies received from the sale of public lands.

Now if it is good for the "National welfare", to provide roads within a territory why is it not also advantageous to construct roads leading from the states into the territories; Immigration would thus be encouraged, values of public lands

1. Benton: Debates of Congress. Volume VII. Page 617.

2. Ibid.

3. United States Statutes at Large.

enhanced, and close commercial relations would develop a strong feeling of national unity. The step was easily made; and on March 26th, 1800, we have the Act authorizing the opening of a road from Cumberland, in Maryland, to the Ohio River, in Ohio. For the opening of the road thirty thousand dollars were appropriated from the proceeds of public land sales. If the funds derived from the sale of public lands could thus be constitutionally applied why not any other funds in the treasury?

This was driven the entering wedge: the precedent was set, and gradually the strict constructionist surrendered their position as sticklers for the Constitution and joined the pell-mell rush, the game of Arab. This, of course, developed at a much later period than the one with which we are now dealing; but we see that the idea was already in the public mind. By 1800 the Spanish Government had at last (in 1795) acceded to the claims of the United States to all the territory north of the thirty first degree, Colonel Ellicott had marked this southern boundary line (in 1798-9), the Spanish garrisons had evacuated Fort St. Stephens¹ and Fort Tonbeche² (called by the Spanish Fort Confederation) and Congress (in 1798) had organized the Mississippi Territory.

1. Established by the Spanish about 1786.

2. Established by the French in 1768. Near the present Jones' Bluff, Sumter County.

The white population of that part of the Mississippi Territory which afterwards became Alabama were confined to the settlements around Tusasaw (near Hannahubra Island), St. Stephens, and Chochee.¹ It consisted of those who had straggled from the French colonies who held the region till 1763), of those who remained from the Spanish colonies (who claimed and held these districts from 1763 to 1782) and of the few Americans who had filtered through the wilds from Georgia.² To protect these isolated colonists from the surrounding Indians and from the intriguing Spaniards just below them, and to encourage immigration into the territory, the Federal government soon proceeded to construct two roads, one leading into the Natchez settlement on the Mississippi River, and another leading into the settlement along the lower Alabama. On October 24, 1801, a treaty was made with the Chickasaw Indians (approved by the United States Senate, May 1, 1802) by which a "wagon road" was allowed through their lands from "The Hero District in the State of Tennessee" to the Natchez settlements. For this privilege "The Commissioners of the United

1. The population of the whole County of Washington, then extending from the Pearl to the Chattahoochee, was only 733 whites and 517 negroes. The population of what is now Mobile and Baldwin counties, then Spanish territory, was probably as large. Brewer's Alabama, Page 100.
2. Bartram in 1777 speaks of seeing "A company of immigrants from Georgia; a man, his wife, a young woman, several young children and three stout young men, with about a dozen horses loaded with their property". He was informed that they were "to settle on the Alabama a few miles above the confluence of the Tombigbee". These were among the earliest immigrants to Ala. Bartram's Travels, Page 241.

States give to the Kingo of the Chicasaws and the deputation of that nation goods to the value of seven hundred dollars".¹ On the 17th of the following December a treaty was likewise secured by the same commissioners granting the right to continue this road through the lands of the Choctaws. For this concession the Choctaws were paid "the value of two thousand dollars in goods and merchandise, nett cost of Philadelphia"² and "three sets of blacksmith's tools". This road called the "Nashville to Natchez" road had been the line of an old Indian trail,³ crossing the Tennessee River at Muscle Shoals where the United States by treaty of January 10, 1786, had obtained a grant of land for a trading post.⁴ A treaty of November 14, 1805, granted the United States "the right to a horse path through the Creek Country from the Comanches to the Mobile --- and to clear out the same and lay logs over the creeks". The Indians were to provide boats at the several rivers for conveyance of men and horses, and also houses of entertainment for the accommodation of travelers; for all these accommodations the prices should be regulated by "the present Agent, Colonel Hawkins,⁵ or by his successor in office".

1. United States Statutes at Large: Vol. VII. Page 66.

2. Ibid. Page 66.

3. History of Tennessee. Pheian. Pp. 171-172-277.

4. United States Statutes at Large. Volume VII. Page 24.

5. Colonel Benjamin Hawkins was appointed by President Jefferson as Agent to the Creeks. He established what became known as the "Old Agency" at the point where the trade route crossed the Flint River. Around this settlement grew up the town Francisville, so called from Francis Bacon who married the daughter of Colonel Hawkins, and who

By act of April 21, 1806, appropriations were made for the opening of these two roads: six thousand dollars for the one from Nashville to Natchez, and six thousand four hundred dollars for the one from the frontier of Georgia on route to New Orleans to the intersection with 31° or north latitude.¹ Both were duly opened up and the former long continued the post road into the Natchez district, while the latter became the great thoroughfare of early Alabama.

Fort Stoddard had been built in 1799² by the Federal Government as a port of entry just above Ellicott's line (31°) and this became the terminal point of the Georgia-Alabama Road. From Fort Stoddard (the site of the present Mt. Vernon) the road crossed Hitt's Ferry,³ Annahubra Island and Hollingers Ferry, then following, in general, the ridge which divides the tributaries of the Alabama from those of the Gulf, (thus practically the line of the old trade route) to Columbus on the Chattahoochee. With these small appropriations the roads were merely blazed through the woods, though at once honored with the dignified title of "Federal Roads".

For the extension and improvement of these roads appropria-

infused new life into the little settlement. After the completion of the railway from Columbus to Macon the business of Francisville was absorbed by other points and the little town soon passed into oblivion. "Dead Towns of Georgia" in Volume IV. of "Collections of Georgia Historical Society. Page 241.

1. United States Statutes at Large.
2. Pickett; Volume II. Page 174.
3. Established in 1797. Pickett: II. Page 174; also Publi-

tions were made from time to time, as follows:¹

For the Nashville-Natchez route²

Act April 21, 1806,	\$6,000.
" " 27, 1816,	5,000.
" March 27, 1818.	5,000.
" " 6, 1826,	7,920

For the Georgia-Alabama route:

Act April 21, 1806,	6,400.
" February 17, 1809,	5,000. ³
" April, 27, 1816,	5,000. ⁴
" March 27, 1818.	5,000.
" April 14, 1820,	5,500.
" May 20, 1826,	6,000.
" (5,000.
" February 20, 1833 (20,000.
" July 7, 1838	1,945.50.

The Act of February 20, 1833, authorized the opening of a new post road through the Indian country from Line Creek in Alabama to the Chattahoochee opposite Columbus. The three

cations of Alabama Historical Society. Volume 11. Page 167.

1. Statutes at Large.
2. This road was of more importance to Mississippi, its influence upon the settlement of the north-west portions of Alabama will, however, warrant the above summary.
3. The President, empowered by an Act of March 3, 1807, had obtained permission from Spain to continue the road from Fort Stoddard to New Orleans. For this purpose the above appropriation was made.
4. The importance of a better road, affording better military connections with this section had been impressed on Congress.

thousand dollars were to repair the old road (which had become well nigh impassable, especially through the swampy low-lands during the winter season) for use till the new one could be put through. The President was authorized to employ a superintendent, upon an annual salary of a thousand dollars, who should supervise the construction of this new road. "To close the accounts for laying out and construction of this 'Mail Route' and to pay the 'balances due the contractor and workmen", the appropriation of July 7, 1868, was made. The new road, called the "Upper Federal Road" was to the north of the old route, was on higher ground and was generally used during the rainy season; the old road continued in use during open weather.

These amounts, together with three thousand dollars appropriated¹ for the completion and improvement of the military road" from Pensacola by Wakely to Mobile, and one thousand one hundred and thirty-eight dollars for military road from Pensacola to Fort Mitchell, opened in 1824, sum up the federal aid to road building in Alabama.

Lieutenant McLeary, in 1799, had opened a rough military road from Natchez to St. Stephens when he marched across to take

charge of the latter place after the evacuation of the Spaniards
by the recent events in the south-west during the closing days of the War of 1812. House Report 61. 13th Congress 3rd Session.

1. Act March 3, 1829. Statutes at Large.
2. Pickett: 11. 179; Publications of Alabama Historical Society, Volume 11. Page 166.

At an early date a road was cut from St. Stephens, crossing the Alabama at Claiborne, and joining the Federal road to the east. A horse path had been opened through the Chickasaw Territory, intersecting the Nashville-Hatchez road at Colbert's Ferry (Muscle Shoals);¹ the road from Georgia had been extended from Fort Stoddard to Hatchez.²

In 1805 was obtained the right to a road from "Tellico to Tombigbee" in as much as the "Mail of the United States from Knoxville to New Orleans" had been "ordered to be carried through the Cherokee, Creek, and Choctaw countries".³ On this road the little village of Huntsville began in 1800. It was known as the "Knoxville Road" and was of much importance in the settlement of the northern part of Alabama. Thus by 1810 the St. Stephens District was fairly well connected with the older states by rough, pioneer roads and immigrants began to flock in from all quarters. The principal immigrant route, however, was that from Georgia, through the Creek Country to Fort Stoddard. Along this route came settlers from Virginia, the Carolinas and Georgia; some on horse-back, their effects on pack-saddles, and others used the rolling hogshoes.⁴

1. Pickett: Volume II. Page 104.

2. By Act of the Legislature the Mississippi Territory. Hamilton: Colonial Mobile. 348.

3. Treaty with Cherokees, October 27, 1806.

4. Goods were packed in a hogshoe, trunnions, or the equivalent put in the ends, and to the were attached shafts by which an ox or horse would draw it along. E. S. Hamil-

An idea of the difficulties under which immigration labored along these pioneer roads may be gathered from descriptions in books of early travel. In 1811, Peggy Dow gives us a description of her trip from the Natchez country¹ into Georgia. As she passed the last house of Natchez and entered the "vast wilderness" she tells us "my heart trembled at the thought of sleeping out in this place with no companion but my husband". Coming to a place where were found water and plenty of cane for the horses they struck camp for the night, built a fire, ate a supper of coffee and hard biscuit, then rested for the night on their blankets, "the wide extended concave of heaven bespangled with stars" affording a majestic scene; while the "lonely desert uninhabited by any creature but wild beasts and savages" made her feel very much alarmed. Proceeding, the next day forty miles they crossed the Pearl in a ferry-boat and slept "in a house, such as it was, that belonged to a half-breed". Passing by "Hell Hole, a dreadful slough", they crossed a creek (probably Leaf River) and becoming involved by the many little divisions of the road secured the services of an Indian guide and late at night reached the home of one Holes on the Chickasawha River about "thirty miles from the settlement on the Tombigbee". The

next day, proceeding "through some delightful country" they
 ton. Publication of the Alabama Historical Society. Volume
 11. Page 80.

1. Dow's Life & Works. 221-222.

reached "the first house that was inhabited by white people". The Tombigbee is crossed by ferry-boat at St. Stephens, the Alabama is crossed at a "ferry"¹ kept by a man who was a mixture", where they staid that night, and the next day they "struck the road that had been cut out by the order of the President". "This made it more pleasant for traveling" the author continues, "and then we frequently met people removing from the states to the Tombigbee and other parts of the Mississippi Territory". Following as guide the "fresh marked trees" they crossed Thunder Creek, the Chattahoochee, "and reached Colonel Hawkins'" where we are told "I felt grateful to the God of all grace for his tender care over us while in this dreary part of the land- where our ears had been saluted by the hideous yells of the wolf- and had been surrounded by the savages more wild and fierce than they".

In 1818 Rev. John Owen moved with his family and effects by wagon, from near Norfolk in Virginia to Tuscaloosa, Alabama. Passing through Beaufort's Gap of the Alleghenies, down the Holston Valley, by Knoxville, thence to the Tennessee River, crossing possibly at Hickajack, by Jones' Valley (near Birmingham of our day) he reaches his destination after "nine weeks traveling, over broken roads, and exposed to every danger". He thought the roads in old Virginia were bad, but even his experience there had not prepared him for the stocks and jostles to be endured along the "infernal
 1. At Fort Claiborne.

roads" of this new territory.¹

The Federal Road from Georgia to Alabama soon became the continuation of the stage line which connected Washington with the Southern States. In 1820 Adam Hodgson, an Englishman, traveled along this line from Washington to Mobile and in his "Letters from North America" (London 1824) gives us a good idea of those days of western movement. He leaves Washington on January, 20, 1820, in the "Mail stage, a mere covered wagon, open at the front" to which were attached four horses.

Passing through Richmond and Petersburg (Virginia), Raleigh, Fayetteville and Dunnorton (North Carolina), Georgetown and Charleston (South Carolina) he reached Savannah, Georgia, the stage having made an average on the trip of three and three quarter miles per hour. "This", he complains, "is wretchedly poor traveling in the only public conveyance between Washington and the Southern States, yet this vehicle is dignified by the title of the "United States Mail" although it is only an open wagon and four, with curtains which unfurl, and the mail bag lie lumbering about your feet, among the trunks and packages which the passengers struggle

into the carriage" to obviate the danger of their falling off
 1. The Journal Rev. John A. Owen, published by Thos. H. Owen in the "Publication of the Southern History Association". April, 1897, Volume 1. Page 84. Quoted in the "Publication of the Alabama Historical Society". Volume 11. P.56.

or being stolen, all baggage usually being merely "thrown on behind". From Savannah Hodgson passes up the river by boat to Augusta and from here proceeds to Mobile by horseback. Milledgeville, then the Capital of Georgia, Fort Hawkins on the Ocmulgee, the Indian Agency on the Flint, Coseta on the Chattahoochee (modern Columbus), Fort Bainbridge, Caloche and Cubanatchee Swamps, Line Creek, Point Comfort, Pine Barron Springs, Fort Dale, Murder Creek, Burnt Corn, and Blakely are all successively mentioned, some of which may be seen on the map of Alabama today, and enable us to trace the route of the old Federal road along which the early settlers moved from Virginia, Georgia and the Carolinas into the Gulf States.

"The road, though tolerable for horses", he thinks, would be regarded in England as utterly impassable for wheels. Lonely stretches unbroken for forty or fifty miles by a single house, often came into the experience of our traveler, the occasional inns are rude in structure, furnished in no very pretentious manner. As an example of the hotel facilities to be enjoyed Hodgson describes the inn at Corota as having only one bed room "with three beds such as they were"; a log building, with clay floors and no windows. The proprietor of the inn, an adventurer from Philadelphia, arranged his prices so as to carry the conviction that he was not in

the business merely for his health, but had come to exploit the necessities of the traveler.

To avoid wounding the feelings of the kind-hearted hosts and hostesses he would sleep in these rather crowded and camp-like apartments when often he really envied his servant who had been compelled to seek his night's repose in the lay loft!

In January, 1835, Featherstonhaugh, another English tourist, passed along the same route from Montgomery, Alabama to Richmond, Virginia. At Montgomery he learns that the mail stages, owing to bad roads, were unable to run and mails were, therefore, sent on horseback. Unwilling to wait until late in the spring to secure passage, "after a good deal of chaffering" he finally agrees to give sixty-five dollars, as hire, for a "miserable vehicle and a pair of wretched horses" to conduct him to Columbus, Georgia, a distance of ninety miles. The road was found "quite answering to the description" which had been given, "being so frightfully cut up as to render it more preferable to walk wherever the road was sufficiently dry. The black fellow who drove seemed to take it quite philosophically, observing nothing unusual in the kind of rocking and bouncing motion", and seemed to think the traveler not quite in his senses for preferring to walk when he had paid so much for riding.

1. A. Hodgson: Letters from North America. London (1834).

By the close of the first day's travel he is reconciled to the liveryman's high charge of four shillings per mile, for they were only able to make fourteen miles during the day and he is persuaded that "such a performance could not be gotten up for less money in any part of the world". Almost unbroken lines of immigrants are daily passed, bringing with them their negro slaves, the women and children being drawn slowly along in heavy wagons while the hardy and dusky men, on foot, trudged wearily along the heavy road to their new and more southern homes. A thousand slaves moving thus, on foot, would be passed in a single day.¹ The distance to Columbus, ninety miles, was made only after four days of tedious travel. The greater portion of the road traversed lay within the lands yet occupied by the Creek Indians and over which the State of Alabama, therefore, had no jurisdiction; from the description given of this road we see that the appropriation from the Federal Government made in 1835 and 1836 were made none too soon.

STAGE AND EXPRESS LINES-- From 1800 to 1808 the Indian tribes of Alabama were being pushed to their more western homes and by 1834 the last of these aboriginal tribes had passed beyond the Mississippi?² We have already seen the times of immi-

1. Featherstonhaugh: The Slave States.
2. Brewer: Alabama, 50-54.

gration flowing in, anticipating the throwing open of these vacated lands. The population had now become sufficiently dense, and the travel and traffic sufficiently great, to justify the conduct of three separate lines of stages along the old Federal road from Columbus to Montgomery, the "Mail Line", the "Telegraph Line" and the "People's Line".¹

The coaches, usually built open for summer use, were, during the winter, closed in with painted canvass, or oil cloth. "but so loosely as to let in the cold air in every part", and were made as heavy and strong as the union of wood and iron could make them. These coaches usually contained three seats, the middle often provided with a broad leather strap to lean back upon and which was generally reserved for the ladies. "On the ~~the~~, four, or on the worst roads even six, horses would be attached. The driver and team were changed at the successive stages recurring at distances of from twelve to fifteen miles. The passengers, at the call of the driver, would sway their bodies to right or left, and even lean far out of the windows as the necessity arose, to keep in balance the coach as it was about to be upset. Delays at the small Post Offices and occasional "break-downs" kept the speed down to about four or five miles an hour.

1. Buckingham: Slave States.

To the complaints of the passengers the patient driver would often reply that even the locomotive (which was already beginning to threaten his future) could do no better if put on these swamps and that the most that can be said is "that each kind of vehicle runs fastest on its own line or road". For these comforts and conveniences the passengers usually paid a dollar for eight or ten miles with no extra charge for delays, bumps, and occasional injuries. The fare often varied, however, according to the sharpness of rivalry between competing lines. For example, while the "Mail Line" was the only one in operation the charge from Macon to Columbus, Georgia, a distance of ninety miles, was twenty dollars. A second line reduced it to ten dollars, a third line followed and reduced it to five dollars. The two former lines then reduced their rates to one dollar. The latest Company then carried their passengers for nothing, while the hotels furnished them with dinner and champagne at the expense of the coach proprietors. The three lines soon tired of this "cut throat" rate, and forming a "combine" adopted a uniform schedule of ten dollars per ninety miles.¹

Along this old Federal Road was established the "Express Mail" a device for rapid transit of news and of pieces of goods of sufficient importance to warrant the extra expense

1. Buckingham: Slave States, 1859.

in their conveyance between the different towns and cities. The terminal points of this line were New York and New Orleans. Between these two points five hundred horses and two hundred boys, as riders, were employed. Each boy rode a distance of twelve miles and twelve miles back. By thus placing a relay of horses at each of these successive intervals an average speed was maintained of about fourteen miles per hour.¹

Both the expensive "Express Mail" and the stage-coach system which had spread its net work of lines throughout the state were soon destined to succumb to the railroad, which had already made its appearance in Alabama.²

ROAD SYSTEM OF ALABAMA-- By Act of Congress approved May 10, 1798, the lands between the Chattahoochee and the Mississippi rivers and lying between 31° and 32° 30' north latitude was created into the Mississippi Territory. At an early date³ her territorial legislature enacted her road law. This system was inherited by the Territory, and later by the State, of Alabama, and remains in vogue today, practically, without change.⁴

The Courts of County Commissioners have original jurisdiction over the establishment, discontinuance, change, and

1. Buckingham: Slave States.
2. The first railway laid in Alabama was completed in 1838. Brower's Alabama. Page 98.
3. Act of March 1, 1805. Turner's Digest of the Laws of the Mississippi Territory.
4. Acts of Alabama Territory, 1818. Code Alabama 1896.

repair of roads, bridges, causeways and ferries within the County. Four Commissioners, elected by the qualified voters of the County every four years, with the Probate Judge constitute the court. This court selects apportioners for each election precinct and these apportioners divide the roads within their precincts into sections designating a certain number of hands and appointing an over-seer for each section. Not more than ten days labor may be required annually of every able-bodied man between the ages of eighteen and forty-five, for keeping roads in repair, and in some counties special acts allow this service to be commuted in money.

It is hardly necessary to state that this system has not produced any earnestness of purpose for the improvement of highways, and the economy of good roads has been unappreciated and certainly has never been realized in Alabama.

During the early years of the State many companies were incorporated for the purpose of constructing turn-pike roads. They were chartered for a limited number of years (often 20), toll gates were authorized at intervals of five miles, and the charges were fixed by the act of incorporation. An idea of tolls charged may be gathered from an Act of January 16, 1826¹ authorizing W. H. Ragsdale and his associates to build

1. Acts of the Legislature, 1826-6.

a turnpike road in Franklin County.¹

Rates were stipulated as follows:-

Each loaded wagon and team	1.00
" empty " " "	.75
" cart " "	.50
" pleasure four wheel carriage	1.00
" " two " "	.50
Man and horse	.12 1/2
For each led horse	.06 1/4
Cattle per head	.04
Goats, sheep and hogs per head	.01

"The Blakely and Greenville Turnpike Company" incorporated in 1824, were authorized to charge for every five miles.²

For each pleasure four wheel carriage	.50
Each horse or ox wagon	.25
Man and horse	.12 1/2
Loose horses, cattle, hogs and sheep per head	.02

By terms of this charter the legislature was empowered at any time they might see fit, to examine the books of the company; the tolls received were never to exceed twenty-five per cent (annually) on the capital actually invested, nor should they fall below twelve and a half per cent of the same. The

County Courts were to supervise the repairs of the roads, no

1. Acts of Legislature 1825-6.
2. Acts of Legislature 1824.

tolls were to be allowed when the roads were out of repair, and the tolls should be raised or lowered as found necessary to keep the profits within the stated limits. The mails, express messengers, troops of state and federal governments, all footmen, persons going to and from public worship, laborers going to and from their fields were usually exempted by the charters from all tolls.

From 1847 to 1853 may be called the era of plank road building in Alabama. Twenty-four companies, for example, were incorporated by the Legislature during the session 1849-50 for the purpose of constructing plank-roads.¹ Some of these projected plans were put into execution,² but the same session of the legislature incorporated several new railroad companies thus indicating that the active railroad spirit was already present before which the impulse to plank-road building was soon to decline, in fact to disappear.

The people of Alabama during the thirties and forties, manifested a spirit of nervousness, feeling that they were being outstripped by the sister states many of whom were lending substantial aid to works of internal improvement. pressure, was, therefore, repeatedly brought to bear upon legislators and governors to induce them to embark in a policy of state aid to river and canal improvements, turn-pike and

1. Acts of the Legislature 1849-50.
2. Governor Collier's Message November, 1851.

plank-road building. Owing to financial difficulties resulting from a disastrous system of state banking, the state having assumed the heavy losses, and the high rate of taxation necessary to meet their public debt, this enthusiastic spirit was held in check. Improvements which were subsidized by other states were, therefore, left to private corporations in Alabama. Only small appropriations and loans were made to plank-road companies from the "two and three per cent funds" and these will be discussed at a later point.

In recent years several counties of Alabama have been empowered by the Legislature to issue bonds for the improvement of roads, and powers of taxation granted by which these bonds are to be retired. In other counties power has been granted of assessing a road-tax, which must be paid out of the general levy.

In the counties of Montgomery, Jefferson, Madison, Colbert, and Lauderdale many miles of McAdam road have thus been built and the manifest advantages did fair to increase the spirit and further the work of improvement.

CHAPTER II.

ALABAMA'S STATE BANK

SPIRIT OF SPECULATION-

The banking scheme of Alabama was one of her most stupendous efforts to develop her internal resources. We have already seen the throngs of immigrants pouring in from the older states, masters, with their numerous slaves, eager to purchase the fertile, unbroken public lands, and to engage in the lucrative business of cotton production. Alabama was admitted to the Union at a period "when the commerce of the whole world was at the height of prosperity, when the Southern States were apparently flourishing beyond all precedent, when produce was high and money plentiful, or rather when profuse emissions of bank notes inundated the western country".¹ Cotton, destined to be the staple of this section, was worth, in 1818, from twenty to thirty cents per pound,² and under this influence the cotton industry was flushed with hopes, land values reached their highest point, and a spirit of speculation characterized the people. In 1817, '18 and '19 the public lands of Alabama after having been surveyed, were open for purchase at public sale, and brought prices raising from five to twenty-five, forty, and even as high as

1. American State Papers: Public Lands, Vol. IV., P. 554.

2. Ibid, Vol. V., P. 378.

eighty dollars per acre.¹

Fictitious and fraudulent methods were also used by speculators. The lands were run up to enormous figures, like \$100 an acre, beyond the limit of true purchasers, and when thrown back on the hands of the Government would be bought up at private sale by the speculator at prices hardly above the minimum price of the land office.² The land shares thus added their influence to that of the temporary high price of cotton in raising the price at which bona fide settlers purchased their lands. The purchase money was made payable in four equal instalments (without interest if the payments were punctually met), the first within forty days, and the three others within two, three, and four years after the date of purchase.³ Upon this credit basis there were sold in Alabama,

in 1818, 1,252,432 acres for \$3,715,005.

in 1819. 793,547 " " \$3,166,549.

These sales continued through 1820 and by December 31 of this year the buyers owed ~~the~~ the Government the balance of \$11,729,685 after deducting the first payment of one-fourth of purchase price.⁴ This amount was about eight and a half million more than was due by purchasers of any other state on

1. State Papers: Public Lands, Vol. IV., P. 554.

2. J. C. Callagh: Tariff and Public Lands.

3. Public Land Commission, Parts 1 & 4, P. 204.

4. Public Lands, III., P. 645.

the same number of acres of land bought on the same terms,¹ thus showing the spirit of speculation, or of over valuation, which had seized the people of this new state.

Through the relief laws of March 3, 1831, and April 30, 1832 (allowing the settlers to relinquish a part of their purchases and apply the payments already made to the portion of lands retained) reduced this indebtedness, yet it still remained a heavy burden upon those who had depended upon cotton raising to lift the debt, the product having fallen to about a fourth of its price per pound in 1818.¹ The amount still due on September 30, 1832 was \$5,760,428.

THE INCORPORATION OF THE BANK- Many of the purchasers had moved into the state with limited means and after making the first payments on their lands were largely without funds to improve them and bring them under cultivation. Capital was scarce, no adequate system of banking existed, the heavy annual payment to the government for lands served to drain the country of its circulating medium. In addition to this practical need of banking facilities there existed in the minds of the people the idea of fiat money, a belief that there was a certain mysterious power by which the state could make money plentiful and cheap. Accordingly, in the Constitution with which the state was admitted into the Union on

1. Memorial, from Debtors for Public Lands, to Congress.
Public Lands, Volume IV. Page 554.

December 14, 1819, we find the following provision:¹ "One State Bank may be established with such number of branches as the General Assembly may, from time to time, deem expedient". No branch bank should "be established nor bank charter renewed", without the concurrence of both houses of the General Assembly. At least two fifths of the capital stock, and a proportion of power in directing the bank equal at least to its proportion of stock therein, must be reserved to the state. The state and individual stock-holders should be liable "for the debts of the bank in proportion to the stock-holders therein". "The remedy for collecting debts shall be reciprocal for and against the bank". No bank was to commence operations until half of the capital stock is "actually paid in gold or silver, which amount shall, in no case, be less than one hundred thousand dollars". After the establishment of the State bank the banks then existing could be admitted as branches upon such terms as the said banks and the Legislature might agree upon.

The first State Legislature passed an act "to incorporate the subscribers to the Bank of the State of Alabama" which was approved December 31, 1820. The capital stock was not to exceed two million dollars, two-fifths of which was reserved for the State while the remainder was to be raised

1. Article VI. of Constitution of 1819. Poole: Charters and Constitutions in the United States. Part I. Page 48.

by subscriptions from the people. Superintendents were named in the act and authorized to open books for subscription at ten stipulated terms of the state. All efforts failed to organize a bank under this act, capitalists being unwilling to invest in a scheme, the feasibility of which they doubtless questioned, and the private subscriptions could not be raised.¹ On December 30, 1826, was passed "An Act to establish the Bank of Alabama" in order "to provide for the safe and profitable investment of such public funds as may now or hereafter be in the possession of the State, and to secure to the community the benefits, as far as may be, of an extended and unappreciating currency"; so read the preamble. The capital stock of the bank was not limited, and was to be furnished solely by the state.²

On March 2, 1819, Congress had passed the Act enabling "the people to form a Constitution and state government" and providing "for the admission of such state into the Union". This act granted to the inhabitants of each township the sixteenth section of that township for the use of schools; all salt springs were granted to the state for the use of the people subject to the control of the Legislature; five percent of the proceeds from public land sales was given to the state for making roads to and in the state, digging canals,

1. Message of Governor Bibb, November 27th, 1821.

2. Acts of the Legislature 1826-7.

and for improving rivers within the state, two percent to be controlled by the Federal Congress and three per cent by the State Legislature; "seventy-two sections or two townships" were "set apart for the use of a seminary of learning" and a sixteen hundred and twenty/ acres of land were donated as a seat of government for the state.¹ These grants of Congress formed the nucleus of the capital of the State bank, to which was added other capital by issues of bonds.²

The proceeds of the sales and rents of the university lands, not to exceed \$400,000, the three percent fund, the proceeds from the sale of the 1620 acres of land given as a government seat, the rentals from the salt springs, all escheats and other public funds of which the state might become possessed, together with the proceeds from the sale of \$100,000 worth of bonds, constituted the capital for commencing operations.

INCREASE OF CAPITAL AND LOSSES SUSTAINED BY THE STATE-

On March 2, 1827 Congress passed an Act authorizing "the Legislature of the state to sell the lands heretofore appropriated for the use of schools in that state" and to invest the proceeds in "some productive fund" for the support of schools. Accordingly on the 15th of January, 1828, the Legislature of Alabama passed an Act ordering the sale of the

1. U. S. Statutes at Large.

2. Act of the Legislature, Dec. 20, 1823.

sections numbered sixteen and the proceeds to be paid into the State bank. From this fund about \$1,300,000 were placed in the Bank.¹

On January 12, 1866 another Act was passed under the provisions of which about \$500,000 of the State University funds were either invested as stock in the State Bank or placed therein as public funds.

In addition to these funds, for the establishment and aid of the State Bank and branches, bonds were issued from time to time according to legislative enactment² as follows:
December 20, 1836, as a part of the

original capital (named above)	100,000.00
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January 12, 1838, to increase the capital

of the State Bank	100,000.00
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January 31, 1852, to establish a branch

at Montgomery	300,000.00
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November 16, 1852, to establish a branch

at Decatur	1,000,000.00
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December 4, 1852, to establish a branch

at Mobile	2,000,000.00
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December 12, 1852, to increase the capital

of the branch at Montgomery	500,000.00
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1. Bankers' Law Journal, June 1896. Article by J. H. Pitts on History of the State Bank of Alabama.
2. Acts of the Legislature 1843-57.

January 10, 1855, to establish a branch	
at Huntsville	500,000.00
January 9, 1856, to increase the capital	
of the Huntsville branch	500,000.00
January 9, 1856, to increase the capital	
of the Mobile branch	1,000,000.00
January 9, 1856, to increase the capital	
of the <u>Montgomery</u> branch	500,000.00
June 30, 1857, to enable the banks	
to resume specie payments	5,000,000.00
December 15, 1857, for the further	
aid of the banks	<u>1,000,000.00</u>
Total bond issues	14,000,000.00

During the days of apparent prosperity under this banking system the citizens of the state enjoyed that euphoric call "Flush times in Alabama", when to make money it was only necessary for the people "to get together and vote themselves as much as was wanted". In 1856 the Legislature by Act of January 9, abolished all taxation, except a license tax on "race tracks, billiard tables, hawkers and peddlers, sale of playing cards, retail of spiritous liquors, museums, wax works, feats of acting, sleight of hand and plays".

The act provided for the expenses of the state government by setting apart \$100,000 annually from the profits of the State Bank. Under this Act the citizens were relieved

from all taxation for six years, till the final collapse of the banking system in 1842, when a system of revenue from taxation was inaugurated. The bank had been characterized by careless and inactive management, injudicious loans, political machination, over issues of notes, and when the financial crisis of 1837 spread over the country it found this institution, with its branches, utterly unable to withstand the stress. Bank notes had accumulated until properly worth far above its intrinsic value, apparent prosperity had beguiled tradesmen into an extension of purchase and credits, and planters into extravagant investments in lands and slaves. People became deeply involved, business stagnant, confidence in bank issues was finally lost and a "run" was made on the banks which forced them all to suspend specie payments in the short interval of fifteen days between the 12th and 17th of May, 1837¹. An extra session of the legislature was called and the bonds, shown above, were issued in June to enable resumption. The Act supplemented by other bonds issued in the following December, brought a temporary relief and enabled the banks to continue the hopeless struggle a few years longer. The Legislature during the session of 1842-3 placed the branch banks in liquidation and on January 1, 1845 the charter of the mother bank expired² without any enthusiastic

1. Brewer: Alabama, P. 56.

2. Message of Governor Martin, December 15, 1845.

efforts for renewal.

The question of repudiation became the issue of political campaigns. The results of election showed that the majority of the citizens decidedly favored the maintenance of the credit of the state. Accordingly a revenue law was enacted, as noted above, for the purpose of defraying governmental expenses and of meeting the interest due on the bonds. The interest was promptly met on all the bonds down to the beginning of the Civil War, and the bonded indebtedness of the state was reduced to \$6,884,666.67 where it stood on November 25, 1863, from \$9,237,555.55 the amount due when the banks were put in liquidation.¹ During the Civil War the interest due on \$2,100,000 (that portion of the bonds which was held in New York) was repudiated, but was paid on the amount due in London up to 1865.² The State in her prostrate condition at the close of the war, repudiated also \$200,000 due the Central, Commercial & Eastern Bank of Alabama for loans to the bank with which to pay the interest maturing in London during the war.³

The promptness with which the state was able to meet her interest, and reduce her bonded indebtedness is due, largely, to the consummate skill of F. S. Lyon, who, on February 4, 1848, was made sole commissioner, or trustee, to wind up the

1. Report of F. S. Lyon, Bank Commissioner.
2. Repudiation of State Debts: Scott, Page 55.
3. Bankers' Law Journal, June 1865, Page 349.

affairs of the bank. Just in his dealings, courteous to all, conciliatory, yet firm, he won the confidence of all, and incited the debtors to the bank to put forth their best energies in order to absolve their indebtedness. From the wreck of that institution he succeeded in collecting \$6,526,861 by November 1855, and by judicious financiering had met all interest payments promptly and had reduced the bonded indebtedness to \$6,534,666.67. This amount was refunded by the Act of 1876 and forms a part of the present indebtedness of Alabama.

The school funds (from the sale of the 10th sections and of the University lands) about \$1,300,000; the 1630 acres of land, donated for a seat for the state government, approximately worth about \$16,000; and the "three per cent fund", amounting to \$688,448² were all lost to the state. To this and the \$6,534,666.67 gives an approximate total loss to the state of \$6,379,164.

For the payment of interest on these bonds and for the support of public schools and of the State University a tax of about \$1000 per day is being paid by the citizens of

Alabama, a constant and not altogether pleasant reminder of

3 past vagaries in the science of banking.

1. Hon. Francis S. Lyon, as Commissioner and Trustee of Alabama by Dr. J. L. H. Curry.
2. This amount includes interest, from the time the different deposits were made in the bank, to January 1, 1860, when the state made settlement with the fund. Auditors Report October 12, 1869.
3. Conant: Modern Banks of Issue, P. 333.

WHY THE BANKING SCHEME FAILED-

The charter of the State Bank vested its management in a President and twelve directors who were to be elected annually by a joint vote of the General Assembly. This, to begin with, is a point of inherent weakness, for the people, through the legislators, at once had a grip on the bank managers by which loans of questioned expediency could be wrung from them. Notes were to be issued "in such sums and under such devices" as the president and directors "may deem most expedient and safe". The machine was kept grinding as long as the people made applications for loans, for the directors, though unsalaried, held lucrative positions and were anxious to retain their jobs. Under such conditions over-issues were inevitable. In December, 1868 Governor Bagby in his message to the Legislature employs the following words in a review of the financial situation and its causes: "before the resistless torrent of excessive bank issues the safe pursuits of ordinary business have been abandoned, honest industry has been seduced, public morality had been undermined by the profligacy and extravagance consequent upon the easy facility with which the representative of money could be obtained to almost any amount, and the very foundation of society shaken to its center by the revulsive shock created by the sudden obstruction to this prodigious stream in its frightful course". That the method

of electing bank directors is vicious, he continues, is shown by the fact that the bank directors and the members of the Legislature for two successive years "obtained more accommodations and will probably be the cause of greater loss to the bank than the whole community besides".¹

In his message of 1840 the same Governor asks, "Whoever heard of a man seeking the appointment of a bank director from patriotism or for the honor it confers? The accounts from 1834 to 1837 show that they were under the influence of a much more powerful motive than the love of country or the love of fame. The directors accepted without compensation, their positions with fixed determinations to compensate themselves".²

After the establishment of the branch banks there were about sixty-five bank officials to be elected at each session of the Legislature. The legislators were annually beset with hordes of candidates each vying with the other in promising the greatest loans to his supporters. An idea of the "logrolling" methods employed in these electioneering contests may be obtained from the following incident: During the "rushing" season of session of 1837-8 one of the members of the Legislature died. The usual badge of mourning (a crape on the left arm) was assumed. A certain Mr. Henson, of Benton County, happened to be in Tuscaloosa, the Capital of

1. Messages of Governor Bagby, December 3, 1838.
2. House Journals, 1838 and 1840.

the State, at this time. Being of a social, convivial nature, and having the shrewdness to observe the magic power of the badge of crape in commanding the respect and attention and even the cigars, drinks and oysters, or others, he promptly donned the badge of mourning, and protracted his visit to the City much to the expense of diligent and liberal candidates for directorships in the banks.¹ Mr. Daniel P. Boster is said to have retired from public life on account of the disgust he experienced at the methods he found in practice during the session of 1857-8. Being a man devoted to the cause of education he was diligent in canvassing a school bill which he conceived would result in much needed reforms. In addressing the different members on the subject he met too frequently the reply, "I don't know anything about your bill, but will say that I have a friend I want elected bank director, and if you will vote for him I will vote for your bill".²

An act of December 17, 1856 had entitled the Directors and Presidents of the banks to accommodations not exceeding \$55,000 each, a much more liberal sum than was allowed to individuals. Even this liberal limit was often passed by the officials, for a later act binds them by oath to comply with the limits and also pledges them under oath to report any co-official who may be guilty of transgressing.

The Legislature at its session of 1857-8 reduced the

1. Garrett: Reminiscences of Public Men in Alabama, Page 40.

number of directors to six for each bank, and provided that they should be paid salaries, and not depend on discounts and accommodations for remuneration for their services. Each official was pledged under oath not to "become indebted to the State Bank or any branch thereof either directly or indirectly" and not to "vote for or support the discount of any paper offered in bank where I expect to receive any portion of the proceeds in payment of any debt, or demand, that may be due me" and that he would "in no manner act as agent for those applying for accommodations". Had this device been adopted sooner the history of the bank might have been different, but the step was taken too late (1838) for a report from the Committee on Finances in 1840 revealed the fact that the Presidents and Directors then in office, together with their predecessors, were indebted to the banks in the neat sum of \$3,272,687. The members of the Legislature, we may rest assured, likewise came in for their share. Their applications for accommodations would hardly be rejected, for upon the good will of the Legislature rested the chances of the bank officials to retain their positions. We have already seen that for two successive years the directors and members of the Legislature borrowed from the banks more than half of the entire loans during these two years. So thorough and this mutual understanding became that a conspiracy was

formed in 1841, by which the resources of the bank were to be entirely swept away by an artfully managed scheme.

The plan- "fictitious bills of exchange to which the recommendations of members of the Legislature had been obtained under various acts and pretenses"¹, was discovered, and created quite a sensation throughout the State. The Legislature of 1841-2 met in regular session in the midst of this agitation, each of the members suspicious of the other and not knowing from what quarters the mysterious blow was to fall. After some hesitancy and delay resolutions were passed in November authorizing the appointment of a committee to investigate the alleged "bank frauds". A joint committee from the two houses was accordingly appointed and investigation began. In December (1841) the members from the Lower House made a report asking "leave to place on the journals of the house the reasons which will prevent them from discharging the duty assigned to them----". In the examination already made they have discovered the existence of a disgraceful league to plunder the banks and swindle the people of the State; men high in office, members of the Legislature, and bank directors are supposed to be implicated, and it is believed that disgraceful partiality and management might be shown to have existed in some of the banks. With all these

1. Garrett: Reminiscences, Page 212.

facts before them the Senate has seen proper to dissolve their portion of the committee. This renders it impossible for us to act efficiently and we, therefore, tender our resignation to the house of which we are members".¹

The investigation was never pushed further, but sufficient revelations had been made to induce a number of men, high in official and social circles, to seek their fortune in other fields, the West; while others under the shadow of suspicion retired from their post of duty, and with drooping pinions, spent the remainder of their days in private life. The discovery of the fact that such a fraud could be perpetrated brought home to the people the necessity of closing this political banking machine. The state must wind up the bank or the bank would surely wind up the state. Choosing the former alternative, the Legislature began the process of liquidation in 1842, and at the session of 1845-6 the whole assets of the Bank were placed in the hands of three commissioners, F. S. Lyon, C. C. Clay and William Cooper. In 1846 Mr. Lyon was made sole commissioner and continued the work of winding up the affairs of the State bank with the results above stated.

As we have already seen the prime motive for the establishment of the bank was to develop the State in its agricul-

1. Report of Committee, House Journal 1841. Garrett: Reminiscences, Page 217.

tural interests. With this in view the charter of the Bank provided that the money to be lent by the bank should be apportioned among the several counties in the state in proportion to their representation in the General Assembly. This furnished the means for electioneering to all the candidates for the Legislature, as they could promise each one of the "dear people" to secure them a loan if elected. When once in office they could usually secure their reelection by obtaining loans for the most influential citizens of their respective counties; and to procure the loan was a matter of comparative ease for, as noted previously, the Legislature exercised a potent influence upon the bank officials.

While those who were closest to the money sources came in for their share, as the above facts have clearly shown, yet the masses, too, had a strong political pull which they did not fail to appreciate. The Bank thus began operations with many hands in its vaults. So great became the pressure for loans that by 1837 bank notes had been so profusely emitted as to cause a serious depreciation.¹ From 1837 to 1841 they were at a discount ranging from twenty to fifty per cent.²

The Act of incorporation (1833) provided that no one

man's discount should exceed \$2000. This limit of accommo-

1. An official statement of June 1, 1837 shows that the outstanding circulation was \$6,576,752, while the specie reserved was only \$493,575.
2. Garrett: Reminiscences, Pages 156, 273. Banking Law Journal, June term, Page 604.

dations was raised by Act of January 14, 1838 to \$5000.

Even this more liberal limit did not satisfy the demands of the borrowers nor was the law complied with by the bank officials, for a committee report made in 1840 shows that ninety private individuals alone were then due the bank \$3,054,450.¹ So expensive had been the business under this regime that by the year 1837 twenty million dollars were due the Bank and its branches.²

We have shown previously the non-compliance also with the law which placed limitations on the amount of loans to which the bank officials were entitled. These loans were secured (or supposed to be at any rate) by mortgages on lands, slaves, and other personal property of the debtors. When the financial crisis came in 1837 it thus found the country deeply involved; for the bank to close out the papers as they matured would mean sacrifice sales of millions of property, and the accumulations of lands on the lands of the State for which no ready sales could be found. Accordingly the Legislature at its called session, in June 1837, passed the first of its relief acts. The time of the payment of the debts then due was extended; they were divided into three annual installments, the first of 25%, the second and third of 37 1/2% each. Another relief act of February 3, 1840 required that

1. F. S. Lyon: by J. L. K. Curry.

2. Governor's Message, December 16, 1845.

not more than twenty per cent of the several debts due the Bank should be required per annum. Many debtors took advantage of these laws, gathered up their personal belongings and moved to the more distant West forgetting to leave their addresses, and before their location could be ascertained the statute of limitation had barred all procedure and prevented collection.¹ Both of the relief acts required that the President and directors of the several banks should demand further security, if by them deemed necessary, as a condition precedent to the extension.

The officials, it appears, either through inability, lack of business judgment, or from neglect of duty did not comply with this requirement. The results of this dilatorion and careless renewals of securities may be seen from a report made by a committee to the General Assembly of 1847. Here is shown that of a total indebtedness to the banks of \$16,401,873.77- the "bad debts" amounted to \$5,501,456.16-² while \$9,040,344.61 was classed as "doubtful." A part of these bad and doubtful debts resulted from a plan adopted by the directors of the State Bank in August 1838. Notwithstanding the fact that heavy bond issues had been made in 1837 to enable the banks to resume specie payments, the re-

1. Governor's Message, December 16, 1845.
2. A report made to the session of 1837-8 classes only about \$100,000 as bad and a little more than \$500,000 as doubtful- though both items would doubtless have exceeded these amounts if the real conditions had been probed.

serve was not yet large enough to float the large volume of notes in circulation. To obtain more specie it was determined that the State Bank should enter the Cotton market.

"Agencies were organized, post notes issued, and advances made to planters on the cotton crop to be forthcoming in the early fall, to be shipped abroad as a bill of exchange to procure specie. Thus it was expected that the planter would be aided in his crippled condition, and encouraged in raising the staple, while all the substantial interests involved would be promoted".¹ Cotton agents with their numerous clerks were employed. the scheme was widely advertised in the newspapers, proper forms for receipts, warehouse certificates were formally prepared and post notes circulated by the thousands. The Governor in his message to the General Assembly in the following December expressed, in no uncertain tone, his disapproval of the Act on the part of the bank directors. the grounds of objection were, (1) corporations have no powers except those conferred by the incorporating act; the bank is not authorized by its charter to engage in the business of handling cotton; (2) the scheme evidently aims at the promotion of great agricultural interests, and the latter are not entitled to favors which are not extended to other classes.

The work had already been accomplished, however; the Directors,

1. Garrett: Reminiscences, Page 66.
2. Message of Governor, December 1838.

on August 29, 1868, had adopted a set of rules stating the terms upon which loans would be made, and appointing agents at Mobile, New Orleans, New York and Liverpool, to whom the cotton was to be shipped by the bank. Under this plan the sum of \$1,209,416 was advanced on 21,624 bales of cotton, 2,475 bales of which did not materialize. Cotton declined during the season of 1868-9 from about nineteen cents to about twelve cents per pound, thus entailing an additional loss to the banks who had made their loans on the basis of sustained prices. A report from the Bank Commissioners in 1845 shows that \$270,376 of this cotton debt were still due the Bank.¹ Practically all of this was lost to the banks, owing to the insolvency of parties.

As an illustration of the ways in which losses were sustained we cite one example. Mr. J. M. Bates, a planter of Green County, obtained a loan of \$79,632.75 as advances on 1,022 bales of cotton. To avoid the legal limit of accommodations (\$5000), fifteen bills of exchange for \$5000 each, and one for \$4,632.75 were executed. The cotton which was shipped on this contract, it seems, was sold before the expiration of the specified time, and Mr. Bates claimed that he had suffered losses on account of this violation of the contract in that the cotton would have brought a better price had the sale been deferred; and he declined to pay the bal-

1. Garrett: Reminiscences: Pages 267, 270.

ance which the Bank claimed after deducting the proceeds of the cotton. Suit was accordingly brought by the Bank, which suit finally reached the Supreme Court. The principal point stressed by the defendant was the illegal step taken by the Bank in handling goods of merchandise and in making loans to an individual exceeding the legal limit. The Court decided in favor of the plaintiff, but a report of the Bank Commissioners made in 1845 shows that the balance due the Bank, \$71,634, was secured by a mortgage on land and slaves supposed to be worth only about \$20,000. Thus there was lost to the state from this one transaction alone about \$50,000.¹

In 1842 the State Bank was able to perform yet another service for the citizens of Alabama. In the Northern part of the State many new settlers were laboring under heavy indebtedness to the government for lands which the latter had lately acquired from the Cherokee Indians and had thrown open for sale. The Legislature succeeded in arranging with the Government at Washington for the acceptance of bank notes from the people in payment for their homesteads. The State, in turn, was to receive these notes in payment of her share of the proceeds from the sale of public lands, the "two and three per cent funds". This measure was successfully carried through and brought relief to many.

The Bank with all of its failures to accomplish fully

1. Garrett: Reminiscences, Page 245.

the anticipated results and in spite of its final collapse, yet exercised a strong influence in opening up the state. This fact may be illustrated by the following statistics of growth in population and cotton production.

POPULATION IN ALABAMA:¹

Year	Whites	Colored	Total
1810	6,422	2,614	9,036
1820	65,451	42,450	107,901.
1830	190,406	119,131	309,537
1840	355,165	255,571	610,736
1850,	486,514	337,108	823,622

We thus see that in the two decades between 1830 and 1840, in which the bank's influence was greatest, the number of slaves increased about six fold.

The impulse is also seen in the purchase of public lands in Alabama during this period:²

1833	451,519 Acres
1834	1,077,457 "
1835,	1,537,002 "
1836	1,401,409 "
1837	581,773 "
1838	159,969 "
1839	121,855 "

1. Brecher: Alabama, Pages 30, 44, 49, 54, 58.
2. American State Papers: Public Lands.

1840	50,784 Acres	
1841	50,705 "	
1842	<u>118,827</u> "	
Total-		5,902,180 Acres.

The impulse given to cotton production in the "New States" is shown by the fact that of the total amount of cotton produced in the United States from 1835 to 1842 (inclusive) 14,478,979 bales, no less than 9,256,608 bales were produced by Alabama, Mississippi, Louisiana, Florida and Arkansas, five new states of the South-West, the section in which state banks were especially active.¹

In the Southern portion of Alabama, the district particularly adapted to the growth of cotton, the development was especially marked, as will be seen from the following figures², which show the number of bales produced in this section in periods of five years:-

Period	Bales
1820-24	180,798
1825-29	375,925
1830-34	620,543
1835-39	1,229,671

We have thus seen the rapid influx of population, the purchase of slaves, the buying up of the public lands and bringing them under the plow, and the production of cotton

1. The Cotton Industry, H. S. Hammond.

2. Hunt's Magazine, Volume 13, (1845) P. 419.

practically doubling every year.

A traveler writing from Claiborne, Alabama, in January 1846, pictures for us the closing scenes of the activities of the Old State Bank. "The morning after our arrival at Claiborne", the author tells us, "we found at the inn a family of 'movers' on their way to Texas---- had come down two hundred miles from the upper country of Alabama and were waiting for others of their kindred who were to follow with their heavy wagons. One of these families is carrying away no less than forty negroes. In the last fifteen months thirteen hundred whites and twice that number of slaves have quitted Alabama for Texas and Arkansas, and they tell me that Monroe County alone has lost 1500 inhabitants. 'Rich capital' said one of my informants, 'is leaving this State, and no wonder; for if we remain here, we are reduced to the alternative of high taxes to pay the interest on money so improvidently borrowed from England, or to suffer the disgrace of repudiation, which would be doubly shameful, because the money was received in hard cash, and lent out, often rashly, by the State to farmers for agricultural improvements. Besides, all the expenses of the government were in reality defrayed during several years by borrowed money, and the burthen of the debt thrown on posterity--- the planters who got grants of money, and spent it, have nearly all of them

moved off and settled beyond the Mississippi----- . At this moment the State is selling land forfeited by those to whom portions of the borrowed money were lent on mortgage, but the value of the property, thus forced into the market, is greatly depreciated". Calling upon an elderly gentleman, a landed proprietor, who had lived here for twenty years, the traveler was offered the estate for sale at \$3,500. Expressing surprise that one of so advanced an age should think of moving to another country, he met the reply, "I hope to feel more at home in Texas, for all my old neighbors have gone there, and new people have taken their places here". Thus lands were being sold at sacrificing prices, slaves were brought to the block, population was shifting. "In the midst of such instability", our English tourist adds, "a feeling of nationality, or state pride, cannot easily be fostered, nevertheless, the resources, both mineral and agricultural, of so vast a territory as Alabama, a fifth larger in area than the whole of England proper, may enable them with moderate economy, to overcome all their difficulties. Thus the failure of the banking scheme resulted in a depleted State Treasury; caused the necessity of a high rate of taxation; accentuated the shifting tendency of that element of the population which was already restless and roving; and left

1. Lyell's Travels in the United States. Volume II.
Pages 55-56.

the lasting impression on the popular mind that the State, judged either as to efficiency or integrity was not the best manager and promoter of financial enterprises. All of these results retarded internal improvements and their influence is clearly traced through the entire period which ends with the Civil War.

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CHAPTER III.

RIVER AND HARBOR IMPROVEMENT.

STATE AID- Alabama ranks among the first states of the Union in the number, extent, and value of her magnificent water lines. Every section, and nearly every county, of the state is watered, and afforded commercial facilities by some one or more of its navigable rivers. Professor Tuomey, the first State Geologist of Alabama, said in one of his reports: "There is scarcely an extensive and really valuable agricultural tract in the state that has not its navigable stream". This state is traversed by two great system of water ways, (1) the Tennessee with its tributaries, connecting North Alabama with the Mississippi; and (2) that group of rivers which drain much the largest part of Alabama together with considerable portions of Georgia and Mississippi also, and find a common outlet into the Gulf of Mexico through the waters of the Mobile Bay.

This latter system, converging at Mobile, spreading out, fan-shaped, over magnificent timber regions, over fertile agricultural districts, and reaching into the center of the inexhaustible coal and iron deposits of North Alabama, affords a field for improvement the merits of which are probably unsurpassed by any water system within the United States. The

improvements which have been made upon these waters have been done almost exclusively by the Federal Government, the State of Alabama having done practically nothing along this line. Rivalries between the different sections of the State caused hitches in legislation which for a long time prevented application even of the three and two per cent funds to the purpose for which they were set apart by Congress. In the early days of the State no adequate system of revenue existed, the citizens were heavily burdened to meet the maturing payments for public lands which they had purchased, the population, too, was more or less shifting, and the spirit of internal improvements, so prominent in other states, was not so enthusiastically felt in Alabama. The importance of improving the rivers was realized, however, but the movement was held in check by the drain on the currency for public lands and later by the financial convulsions and heavy taxation resulting from the disastrous banking scheme in which the State so early embarked. The Constitution under which the State was admitted to the Union provided for obtaining, "accurate knowledge of such objects as may be proper for improvement and for making a systematic and economical application of means appropriated to them".¹ Governor Bibb, in his message

1. Constitution of 1819. Article VI., Section 21.

of October 30, 1819¹, recommended "the appointment of a skilled engineer, whose duties it shall be to examine the rivers within our limits with reference to the expediency and expense of improving navigation of each, and also the nearest and most eligible approach which can be made between the waters of the Tennessee and Mobile Rivers". The Legislature, accordingly, authorized the examination by an engineer, under the supervision of the executive, some of the most conspicuous points of improvement. An engineer was employed and some examinations were made but no improvements materialized. In 1821 Governor Pickens recommends the establishment of a permanent board of internal improvements, and suggest that such a board could act without friction from section rivalry and would be free from "hauling" influences. He again emphasizes the necessity of a canal by which the Tennessee and the Alabama rivers were to be connected.² This canal project was a plan long cherished by the people of Alabama as a means of more closely uniting the Northern and Southern sections of the State. The mountain barriers which separated the Tennessee Valley region from the more southern portions of the State prevented that full unity of interest and harmony in feeling which are so essential to the life of a perfect State, and in the formation of which commercial relations are so potent.

1. House Journal 1819-20.

2. Message of Governor Pickens: House Journal- Nov. 19, 1821

Commercially, North Alabama was more closely connected with Louisiana than with South Alabama. Their products were shipped down the Tennessee, Ohio and Mississippi rivers to New Orleans a distance of 1500 miles and from the latter point the greater portion of their supplies was purchased. On account of the shoals in the Tennessee River even this means of transportation was blocked for a great part of the year and markets had to be sought at Savannah, Augusta or Charleston. The approximate distance from the Tennessee Valley section to these three points was six hundred miles. From fifty to one hundred and fifty miles of this route had to be covered by waggons for at least one-half of the year.¹ This inconvenient and expensive method of transportation for many years proved a heavy incumbrance to the industrial development of the North Alabama section. Emphasizing the importance of this canal scheme, Governor Gayle, in his message of 1864, states that such a canal, uniting the Tennessee and the Alabama systems would carry to Mobile annually 150,000 bales of cotton "which go now to other states by dangerous and expensive routes". Not only was Mobile, the gem of the State, being deprived of that share of the states traffic to which she was not actually entitled, but heavy losses were being sustained also by the citizens of North Alabama on account of

1. Speech of Hon. R. C. Cobb in House of Representatives.
Cong. Globe. Vol. 25, Appendix P. 157.

the lack of transportation facilities. For example in 1855 cotton was worth in New Orleans and Mobile fifteen cents per pound, but before the high water season had come, thus admitting of the navigation of the Tennessee River through the shoal portions, cotton had fallen to ten cents per pound. Before the farmers of this region could get an outlet for their cotton they had seen a decline of five cents per pound. During this year alone it is estimated that the loss thus entailed upon the Tennessee Valley Counties was not less than \$2,265,000.¹ Not only was it difficult to find an outlet for cotton, but markets for provisions and general supplies were often inaccessible. These facts created the necessity for self sustaining farms, tended to prevent exclusive cotton culture in North Alabama, resulted in amore diversified system of crops demanding smaller holdings of land and a smaller number of slaves than were found in the more southern portions of the state. As the result of these conditions the two sections were somewhat divided in sentiments respecting slavery. This lack of harmony of interest and feeling continued till the beginning of the Civil War, and came near rending the State asunder on the question of secession. For quite awhile the Tennessee Valley counties were projecting the formation of another state, "Hickajack", which should remain within the Union. The fate of Virginia, however, was averted by the rapidity of invasion which caused the two sec-

1. Message of Governor Gayle, 1854, November 12th.

tions to present a united front.

That "geographic and sectional names might be annihilated" that the State might become really "one people", "identified in interests, assimilated in character and harmonized in feelings"¹ was then, one of the strong reasons which prompted the efforts to connect North and South Alabama by some line of transportation. There were projected two plans by which this might be accomplished. Both involved the cutting of a canal between the two rivers. One of these, known as the "Tennessee and Tombigbee Canal", was to run from Fort Deposit on the Tennessee River to Tuscaloosa on the Black Warrior River.² Owing to the length of this proposed route and the expense which would be involved the feasibility of this plan was more visionary than real. Another, and doubtless more feasible route for a canal to unite the two river systems was the "Hivassoe and Coosa Canal", and was to extend from a point on the Okou, a navigable branch of the Hivassoe, to a point on the Conesauga, a navigable branch of the Coosa, near the Georgia and Tennessee line, where these waters approach each other to within about twelve miles.³ At a meeting held in Calaha, Alabama, on May 20, 1833 this project was

recommended as a means of laying open a passage for boats

1. Message of Governor Clay 1833.

2. A Connected view of the whole Internal Navigation of the United States (1830) P. 377.

3. Internal Navigation of the United States (1830) Page 389.

from the headwaters of the Tennessee River, in Virginia, through the Coosa and Alabama rivers, to Mobile and the Gulf of Mexico. It was thought that by such a canal the trade from the eastern part of Tennessee, the western portions of Virginia and North Carolina and from the north-west sections of Georgia, that enormous district drained by the tributaries of the Tennessee and Coosa rivers, would all be drawn to Mobile.¹ The Governor of the State in the following November recommended to the Legislature that an incorporation be encouraged to carry out the proposed plan, stating that the State's financial condition would not authorize her to embark in any pronounced work of improvement at that time. The Legislature passed an Act² incorporating the "Coosa Navigation Company," naming nine towns in the state, and appointing for each town three superintendents who should open books for subscription on the first Monday in June, 1824.

The plan met the approval of the Federal Government, but it seems that the people were not so enthusiastic over the plan as was the State; at any rate the capital was not raised and no canal resulted.

A later Act incorporating the "Alabama and Tennessee Canal Company"³ met with the same fate. Both companies were

1. Message of Governor S. M. Moore, November 1831.

2. Approved December 30, 1823.

3. Approved January 11, 1827.

still born. In 1828 this project was examined under the auspices of the United States Government, a route was leveled and surveyed for the proposed communication which should pass through the most favorable depression of the ridge which divided the two tributary valleys, and which should have as terminal points Hiltobrand's boat-yard on the Okou and McHair's boat-yard on the Coosauga, a length of twelve miles. The plan was pronounced feasible, but promised to be very expensive on account of the requisite deep cutting at the summit level, together with other local difficulties which should have to be overcome.¹ This plan, when completed, was to form but a part of that greater system known as the "Southern Route" which was to connect the whole of the Tennessee with the Atlantic seaboard. This canal, connecting the Tennessee and the Coosa, together with another canal joining the Etowah with the Ocmulgee would complete the line by which, after improvements of the various river channels, it was hoped to obtain continuous navigation during at least eight months of the year from the Mississippi River to the Atlantic ocean. The Ohio, Tennessee, the Etowah, the Ocmulgee and Altamaha, together with the canals which supplied the missing links, were to constitute this Southern system of navigation, a plan more beautiful in theory than eas, in practice, and destined

1. Internal Navigation of the United States Page 681.

to pass into oblivion as a dead scheme before the absorbing interest which was soon to be awakened in railroad building.¹

The Tennessee-Coosa Canal, however, is still periodically mentioned and discussed as a future possibility. Major McFarlane, reporting to the Chief of Engineers in 1872, asserts the feasibility of a canal from Gadsden, on the Coosa, to Huntersville, on the Tennessee, a distance of thirty five miles. He estimates that it would require \$11,570,607 to execute the project. "This plan, together with the improvement of the Coosa would empty into the Bay of Mobile, by an easy and cheap water-route, the agricultural and mineral wealth of immense stretches of country now shut out from the sea except by costly railroad transit or by the three thousand miles of water-route through the Tennessee and Mississippi. It would open to its natural and nearest seaport one-fifth of the State of Alabama, a large section of North Georgia and the whole sweep of the upper Tennessee with her score of important tributaries."² Toward this important object the State of Alabama has contributed nothing and the Federal Government has never been induced to make appropriations for its execution. The Legislature, by Act of January 15, 1860, organized a body known as the "President and Directors of the Board of Internal Improvements."³ This

1. Internal Navigation of the United States (Edition 1860) Pages 590-592. Report of Major Hagan, Corps of Engineers 1894.

2. Report of Captain Price to Chief of Engineers July, 1870

3. Acts of Alabama 1859-60.

Board was to consist of six commissioners, to be elected biennially, by a joint vote of the two houses of the two houses of the Legislature. To avoid discriminations as to sections the Act stipulated that these commissioners should be chosen one from the section below the junction of the Tombigbee and Alabama rivers; one from section below junction of Coosa and Tallapoosa rivers; one from the section below junction of Tombigbee and Black Warrior rivers; one from the section above the junction of the two last named rivers; one from section between the Coosa and Calusa rivers; one from Tennessee Valley section.

The Governor was made ex-officio President of the Board. The members of the Board were to receive the same per diem and mileage as were paid to members of the Legislature. In them was vested the contracting for, and superintendence over, such works of internal improvement as might be directed by the Legislature. A report of progress and expenditures, together with recommendations for further work, should be made annually to the State Legislature. It was declared by the Act that all expenditures should be paid from the "three per cent fund", and that this fund should be held by the State Bank subject to the drafts of the "President and Directors" of the Board. This Act, bearing upon its face the impression that it would result in some positive efforts

toward improved navigation, accomplished no material results, the scheme passed off as vapor, and the Act was repealed by the Legislature on January 21, 1837. In 1838 the Governor in his message to the Legislature said of the State's policy toward internal improvements: "If it should be said we are behind other states in this respect, it may be replied that if we are destitute of those ready and agreeable means of communication which abound and greatly facilitate traveling and transportation in some of the states, we are at least free from the weight of those monumental debts that have been contracted to carry on their works of internal improvement". He expresses a strong "preference for the opening and improving the navigation of rivers over every other description of internal improvements, and still adheres to the old "determination of effecting some permanent connection between the waters of the Mobile Bay and the Tennessee River" adding, however, that "circumstances seem to forbid our engaging in it at present".¹ At the beginning of the session of 1840-41 a Committee was appointed on Internal Navigation, and a resolution was adopted instructing the Committee to "inquire into the propriety and expediency of appropriating the whole of the three per cent. fund to the completion of the Selma and Tennessee railroad; or of some other mode of appropriating

1. Message of Governor Bailey December 1838.

said fund so as more closely to identify the Northern and Southern parts of our State". After some deliberation the Committee reported back that it was inexpedient to legislate on the subject. The House refused to concur and the Resolution was re-committed. On January 5, 1841, the Committee made their report in which were discussed, pro and con, the various suggested methods or projects by which North and South Alabama should be connected.¹ For the accomplishment of this end the Committee pronounce McAdamsized road as unfeasible. For such a road the proper rock is not obtainable, and even if constructed "would not divert the commerce of the North from its now accustomed channel". The most practical method, the Committee declare, would be to connect the Tennessee with the Coosa by a railroad, of not more than twelve miles in length, to extend from the Hiwassee to the Conasauga Creek. Owing to the embarrassed condition of the State's finances they "repeat the expression that it is now inexpedient to legislate on the subjects" and ask to be discharged. This report shows that from the three per cent fund had been expended the following amounts:

December 19, 1837.	For improving the Coosa	\$50,000
December 19, 1837	" " " Tombigbee	25,000
February 1, 1838	" " " Coosa	30,000
February 1, 1839	" " " Paint Rock	10,000

1. HouseJournal 1840-41.

February 2, 1854, For improving the Choctawhatchee	10,000
February 4, 1854, " " " Elk	10,000
<u>February 7, 1854 " " " Black Warrior</u>	<u>20,000</u>
Total	\$155,000.

These amounts were, by far, too small for the accomplishment of the purposes to which they were appropriated, and no permanent improvements resulted. The "three per cent. fund" including interest which has accrued while invested in the State Bank then amounted to \$545,767.55. Deducting from this the above \$155,000 leaves an unexpended balance of \$410,767.55. The State being involved no further appropriations were made for improving navigation facilities, and at a later date the fund was expended as subsidies to railroad companies.

IMPROVEMENTS BY THE FEDERAL GOVERNMENT-- For the purposes of improvement by the Federal Government the rivers of Alabama fall into three divisions, (1) the northern system (consisting of the Tennessee and its tributaries) which is now in charge of Captain Kingman, Corps of Engineers, with headquarters at Chattanooga; (2) the rivers which drain the more eastern portion of the State, now in charge of Captain Flagler, Corps of Engineers, with headquarters at Montgomery; in this system are comprised the Alabama (with its tributaries, the Cahaba, the Coosa and the Tallapoosa) the Chattahoochee, the

Choctawhatchee and the Conecuh; (3) the Mobile Bay, Harbor and River with the Ichauwee and Warrior; this system drains the Western and North-central portions of the State and is now in charge of Major Bossell, Corps of Engineers, with headquarters at Mobile.

In discussing the efforts which have been made to improve the navigation on these streams we will treat each separately beginning with,

(1) THE TENNESSEE- This system receives its water from Virginia, North Carolina, Georgia, Tennessee, Alabama, Mississippi and Kentucky, seven different states. The total area drained by it is forty four thousand square miles, an area almost equal to that of England. This river, with the navigable portion of its tributaries, gives a system of water transportation of thirteen hundred and eighty two miles navigable by rafts and flat boats, making in all, a system of internal water ways of twenty four hundred and thirty five miles.¹

Less than five hundred and fifty miles of this extent have ever been surveyed and no project has been formed for the system as a whole, but the improvements have been limited to the main trunk with three or four of its tributaries. This river enters the State of Alabama in the extreme north-east

1. Report of Captain Kingman, 1890.

corner, flows south-westerly to Guntersville, a distance of seventy four miles; thence north-westerly to Waterloo in the extreme north-west corner of the State, a distance of one hundred and thirty three miles, from which point it forms a part of the boundary between Alabama and Mississippi before re-entering the State of Tennessee. The chief obstruction to the navigation of this river is the barrier between Brown's Ferry and Florence and known as the Muscle Shoals. Here Elk River Shoals, Big Muscle Shoals, and Little Muscle Shoals present a series of obstructions extending, with intervening pools of deep water, a distance of thirty eight and a half miles, and until recently prevented navigation during a great part of the year between hundreds of miles of navigable waters above and over two hundred and fifty miles of open river below. We have already noticed the inconvenience and losses which were entailed upon the North Alabama people by these obstructions. In the counties of Madison, Morgan, Limestone, Lawrence, Franklin, and Lauderdale thousands of acres of land had been relinquished by purchasers of public lands who were unable to meet the maturing payments. By Act approved May 25, 1878 Congress granted¹ to the State four hundred thousand acres of these "relinquished lands", the proceeds to be applied to the improvement of navigation of

1. In accord with a memorial from the Legislature of Alabama (January 15, 1828) asking such a donation.

the Muscle Shoals and Colbert's Shoals in the Tennessee River and such other parts of said river within said state as the Legislature thereof may direct."¹ If there were not found four hundred thousand acres of relinquished land in the counties named above the deficiency was to be supplied from any unappropriated lands in Jackson County. Thus these lands lay in seven counties of the State. The Act provided also that the improvements should be made according to the plan recommended by the United States Engineers who would be appointed to survey and report a plan. The Legislature of the State created² "the Board of Tennessee Canal Commissioners", consisting of five men, in whom was vested the power to make contracts for the execution of plans recommended by the Engineers. Proceeds from the lands aggregated \$1,400,000.³ In 1851 work was begun under the auspices of this Board, and a canal was cut around Big Muscle Shoals fourteen and a quarter miles long, sixty feet wide and six feet deep. By 1856 the canal had been completed, was thrown open for navigation, but continued in use for about one year only. Too little attention had been given to its terminal approaches and boats could enter the canal only at certain stages of the water. The following year the canal was closed for want of

1. United States Statutes at Large, Volume IV., Page 2890.
2. By Act approved January 15, 1850.
3. Memorial from Legislature to Congress, December 26, 1868.

funds. Being thus abandoned the canal fell gradually into ruin, until work was resumed by the Federal Government about forty years later.

Since 1868 appropriations have been regularly made for the improvement of the Tennessee in each river and harbor act. The appropriations divide the river into two sections, Chattanooga being the dividing point.

(1) That portion of the river above Chattanooga is used principally for rafting lumber and logs though it is also plied by flat-boats and steam-boats of light draft. In 1858 the State of Tennessee undertook the improvement of certain points above Chattanooga, the work, however, did not prove of any lasting value. The plan adopted by the Federal Government has been to obtain a three foot low water navigable channel between Chattanooga and the French Broad by excavating rock and gravel, by removing beavers, and by the construction of winged dams. For this purpose appropriations have been made, between April 10, 1868, and March 3, 1889, aggregating \$691,000.¹ The expenditures have resulted in giving a lengthened season of navigation, and improving the channel at many of the places of obstruction.²

(2) For the improvement of the Tennessee below Chattanooga the following appropriations have been made:³

1. Reports of Engineers, and United States Statutes at Large
2. Report of Captain Kingman, July 18, 1886, and Statutes at Large.

March 2, 1827,	200.00 (Survey)
May 23, 1828,	1,400,000.00 (400,000 acres land.)
August 30, 1852,	50,000.00
June 8, 1860,	1,350.00
June 12, 1860,	1,400.34
July 25, 1863,	85,000.00
April 10, 1869,	1,000.00
July 11, 1870,	80,000.00
June 10, 1872,	50,000.00
March 3, 1873,	100,000.00
June 26, 1874,	100,000.00
March 3, 1875,	350,000.00
August 14, 1876,	255,000.00
June 18, 1878,	300,000.00
March 3, 1879,	210,000.00
June 14, 1880,	300,000.00
March 3, 1881,	250,000.00
August 2, 1882,	250,000.00
August 7, 1882,	3,870.18
July 6, 1884,	350,000.00
August 5, 1886,	262,500.00
August 11, 1888,	250,000.00
September 19, 1890,	475,000.00
March 17, 1891,	3.91 (Transfer settlement)

July 13, 1894,	500,000.00
August 17, 1894,	400,000.00
June 3, 1896,	50,000.00
<u>March 3, 1898,</u>	<u>355,000.00</u>
Total	\$6,524,526.06.

In 1867 an examination was made of this part of the river (from Chattanooga, Tennessee, to Paducah, Kentucky). Upon this survey the present project was decided upon, though subject to subsequent modifications.

It was decided that attention should first be directed to Muscle Shoals as navigation here was effectually closed, and the river would be practically useless unless this barrier be over come. Consequently a greater part of the above appropriations has been expended on this section of the river.

From Chattanooga to Decatur, a distance of one hundred and forty five miles, occur a number of reefs and bars which tend to obstruct navigation. The approved project for this section "is to remove obstructions so as to obtain a depth of at least three feet at low water" by blasting, dredging and removing bowlders, snags and gravel. The work done in pursuance of this plan has rendered up-stream navigation easier, and the dangers of down-stream navigation have been materially remedied, though the difficulties are not yet entirely over come.

From Decatur to Florence- The object of the improvement

on this section of the river is to obtain continuous navigation around the three sets of Shoals which obstruct the great or part of the distance of forty eight miles between these two points. The approved project, based on the survey made in 1874 and modified in 1879, is: (1) To enlarge, rebuild and strengthen the old canal around Big Muscle Shoals (built in 1851-56, and which had been abandoned in 1857) so as to give a canal fourteen and a half miles long, with nine locks having a total lift of eighty five feet, the canal to be six feet deep and seventy to one hundred and twenty five feet wide at the water surface. (2) To construct at Elk River Shoals a canal one and a half miles long, with two locks with a total lift of about twenty feet. (3) To blast at Little Muscle Shoals a channel through the bar-rock of the river and to construct stone wing dams and retaining walls to contract the water-way; to construct a lateral canal fifteen thousand feet long with a guard lock at the head and a lock at the foot having a lift of twelve feet. Up to June 30, 1895 there had been expended on these works \$3,191,746.50 in addition to the original land donation of 1828. Owing to the fact that appropriations have not been adequate for rapid and continuous work progress has been somewhat slow. However, Big Muscle and Elk River Shoals have been rendered navigable at all seasons of the year and the channel at Little Muscle Shoals has been much improved and work is still in progress.

From Florence to the Foot of Bee Tree Shoals (30 miles)-

The obstructions here found are the Bee Tree and Colbert Shoals which begin about twenty two miles below Florence and extend a distance of eight miles with a total fall of twenty five feet at low water, at which stage the available depth is about one and a half feet. To June 30, 1890 for surveys, excavations, removal of rock from the channel and construction of dams only \$68,345.41 had been spent on this section of the river. In this year a new project was adopted which, as modified in 1891 and 1892, contemplates the construction of a canal 7.8 miles long, one hundred and fifty feet wide with depth of seven feet. A guard lock is to protect the upper end of the canal and at the lower end a lock of twenty five feet lift is to be constructed. Under this project, to June 30, 1890, had been expended \$149,755.43 and work is still in progress under an appropriation (made by Act of Congress March 3, 1899) of \$100,000 toward this item.

From the Foot of Bee Tree Shoals to Paducah, Kentucky-

Along this section of the river comparatively little has been expended owing to the attention attracted to the more serious obstructions above. To August 17, 1894 only \$68,043.58 had been allotted (from the general appropriation) for the improvement on this section. To this add \$200,000.00, appropriated by Acts of August 17, 1894 and March 3, 1899, gives a

total of \$262,046.34 expended below the foot of Bee Tree Shoals. Snagging, making surveys, and improving Livingston Point (which with two small islands below it forms the harbor of Paducah) constitute the work done here. This portion of the river, being below most of the large tributaries, affords the best navigation of the whole stream, and three fifths of the entire business of the river and its tributaries is done on this division.

The river is not yet navigable for the entire year but the success of the improvements already made warrant the assertion that the main trunk of the river can be rendered so, and the navigable season can be greatly lengthened on all the tributaries.¹

(2) The Chattahoochee- This river rises in the extreme northern part of Georgia, flows south-westwardly until at West Point it strikes the boundary line between Alabama and Georgia; thence it flows nearly due south forming the boundary line between these two states and further on in its course between Georgia and Florida until it joins the Flint forming thus the Apalachicola. The Chattahoochee does not become navigable till it reaches Columbus about two hundred and twenty five miles above its junction with the Flint. Between these two points the plan of improvement (adopted in 1873 and

1. Reports of Major Kingman in Annual Reports of the Chief of Engineers. War Department.

still in force¹ is to get and maintain a channel four feet deep and one hundred feet wide. For this purpose \$677,000 have been appropriated and expended, beginning with the first appropriation of \$4,000 (February 24, 1855) and including the last appropriation of \$50,000 (March 3, 1899).²

(3) The Tallapoosa- Under an Act of Congress approved June 14, 1880 an examination and partial survey of this river was made which resulted in a project for improvement designed to obtain a navigable channel from its junction with the Coosa River to the foot of Tallassee reefs, a distance of forty eight miles. The work done consisted in the removal of logs and snags, deepening shoals and cutting overhanging timbers. For this purpose appropriations have been made aggregating \$44,000 between August 2, 1882 and September 14, 1890.³ The Tallapoosa flows through rich cotton lands, largely cultivated, with nine thousand arable and well timbered uplands adjacent. The falls at Tallapoosa furnish magnificent water power which is partly utilized by cotton-mill industries. The river, however, is not susceptible of permanent improvement and Captain Price in his report of July 10, 1893, states that no commercial use is made of the improved channel. Pursuant to his recommendations no further

1. Reports of Major Mahan, July 16, 1890; and of Major Mahan and Captain Flagler September 28, 1893.
2. Report of Captain Slack for Fiscal Year Ending, June 30, 1890.

appropriations have been made for this river and work was therefore suspended.¹

(4) The Choctawhatchee- The commerce of this stream is mainly cotton, saw-logs, timber and lumber. That part of the river considered for improvement is that from its mouth to Newton, Alabama, a length of 161 miles. The most of the commerce of this stream is done between Geneva, Alabama, and Caryville, Florida. Below the latter place the Choctawhatchee runs through a sparsely settled country where the business is almost exclusively that of cutting and rafting timber.

The project for improvement as adopted in 1880, and amended in 1890, provides for the securing of a channel navigable in low-water from the mouth of the river to Newton, Alabama. Appropriations for this river began as early as March 3, 1855. From that date other amounts have followed from time to time making a total of \$187,000 up to, and including, the appropriation of March 3, 1899.² To this amount must be added the \$10,000 appropriated by the State Legislature from the three per cent. fund.³

(5) The Coosa- This river is formed by the junction of the Oostenaule and the Etowah. The Etowah is not navigable.

The Oostenaule and its tributary the Coosawattoos are navigable.

1. Report of Captain Price, July 10, 1885.
2. By Act February 2, 1899.
3. Reports of Major Mahan 1897; and of Major Mahan and Captain Flagler, 1899. Also Statutes at Large. Vol. 30.

ble the year round for light draft boats from Rome, Georgia, at the junction of the Coosawaula and Etowah, to Carter's Landing, Georgia, on the Coosawattee, a distance of 105 miles. There would be a continuous water route of transportation from Carter's Landing, Georgia, to Mobile, Alabama, were it not for the shoals and rapids on the Coosa River distributed over a distance of 137 miles in Alabama between Greensport and Wetumpka. This reach covering 242 miles would thus include the Coosawattee, the Coosawaula, the Coosa, the Alabama and the Mobile rivers.¹ Realizing the importance of this route to the commercial and industrial life of the State the Legislature of Alabama in 1823 passed an Act looking forward to the improvement of the Coosa River.² The plan was, however, to be executed by private capital. The project was approved by Congress in 1824 and four years later Congress enacted that any surplus from the grant (400,000 acres of land) for the improvement of the Tennessee River should be applied to the improvement of the Coosa, Calaba, and Black Warrior rivers. No private capital was subscribed to the Coosa Navigation Company "nor was there any surplus from the Tennessee land grant so the whole scheme was abortive. Other efforts were made by the State in 1837 and in 1839 when in

1. Report of Major Mahan, 1894.

2. Acts of Alabama. "Coosa Navigation Company" incorporated by Act December 30, 1823.

each year \$30,000 were appropriated from the "three per cent fund" for improving the Coosa.¹ With these small amounts, however, no permanent work resulted. In 1876 the work of improvement began by the Federal Government. The river is divided into two sections- (1) that lying between Rome and the East Tennessee, Virginia and Georgia Railroad Bridge and (2) that lying between this Bridge and Wetumpka. On the first of these divisions the plan provided for eight locks and dams at the points of greater obstruction and for works of contraction and channel excavation for points less troublesome. It is on the second of these sections that the most serious difficulties are encountered. Here a series of twenty three locks and dams must be constructed, and the accomplishment of this end is the present plan. Appropriations from the Government have been as follows:

From Rome to E. T. V. & G. R. R. Bridge,

August 14, 1876,	30,000.00
June 16, 1878,	75,000.00
March 6, 1879,	45,000.00
June 14, 1880,	75,000.00
March 6, 1881,	60,000.00
August 2, 1882,	83,700.00

1. Acts of Alabama, 1837 and 1839.
2. Reports of Engineers and Statutes at Large.

July 1, 1884	50,000.00
August 5, 1886,	45,000.00
August 11, 1888,	60,000.00
Sept. 19, 1890,	150,000.00
July 13, 1892,	150,000.00
August 13, 1894,	110,000.00
June 3, 1896,	50,000.00
<u>June 3, 1899,</u>	<u>20,000.00</u>

\$985,700.00

Iron Bridge to Alabama,

September 19, 1890,	150,000.00
July 13, 1892,	100,000.00
August 18, 1894,	110,000.00
<u>June 3, 1896,</u>	<u>50,000.00</u>

\$410,000.00

Work was not begun on the lower of these two sections until after 1890 for in this year the first appropriation was made for this specific work. The Coosa River flows through the mineral regions of North Alabama, the agricultural belt of Middle Alabama and the timber districts of Southern Alabama, and its importance as a commercial mart can hardly be overestimated. The appropriations for this river have been so small that very little of the work to be done has been yet effected and it has been estimated that at the present rate "it will be 150 years before this section will have water transportation for its coal and iron to Mobile".¹

1. Report of Major Mahan 1894.

(6) The Cahaba- Above Centreville, Alabama, the Cahaba River, through flowing through the extensive Cahaba coal fields, cannot be utilized. The river in this section consists of a series of pools and rapids which can be overcome only by extensive use of locks and dams, a plan too expensive to be feasible. Surveys of this stream were made in 1875 and 1881 and under recommendations then made a plan was adopted which contemplated obtaining a navigable channel from its mouth to Centreville, a distance of 38 miles. This was to be accomplished by the removal of snags and logs, by excavating gravel bars and deepening said bars by works of contraction and shore protection. For this purpose the Government appropriated \$45,000.00 between August 5, 1882 and July 13, 1892. Two railroad bridges without draws, one ten miles, the other twenty two miles, above the mouth of the Cahaba, prevent any commercial use being made of the river and as no efforts have ever been made to compel the placing of draws in the bridges work has been suspended and no further allotments made to this river.¹

(7) Conecuh and Escambia- This river, north of Florida and Alabama line, is known as the Conecuh; south of that line as the Escambia. This stream is of more importance probably to Florida than to Alabama. It supplies two-thirds of all

1. Report of Major Mahan, 1894.

the timber, which is the principal export product of Pensacola. The commerce of this stream in 1895 was estimated at \$2,000,000.00 consisting almost exclusively of timber products. The project of improvement provides for securing and maintaining a channel sufficient for the passage of timber rafts from the mouth of Indian Creek in Alabama to Pensacola, Florida. To this end \$104,500.00 have been appropriated between March 2, 1880 and March 3, 1899.

(8) The Alabama- For the improvement of this river the appropriations have been as follows:¹

June 13, 1878,	25,000.00
March 3, 1879,	30,000.00
June 14, 1880,	25,000.00
March 3, 1881	20,000.00
Aug. 2, 1882,	20,000.00
July 5, 1884,	10,000.00
Aug. 5, 1886,	15,000.00
Aug. 11, 1888,	20,000.00
Sept. 19, 1890,	20,000.00
July 13, 1892,	70,000.00
Aug. 13, 1894,	50,000.00
June 3, 1896,	40,000.00
<u>March 3, 1899,</u>	<u>50,000.00</u>

Total-

\$445,000.00

1. Report of Major Mahan July 10, 1897 and Statutes at Large.

The original project for improvement was to obtain a channel four feet deep at low water with a minimum width of two hundred feet from Columbus to the junction of the Alabama and Tombigbee rivers, a distance of three hundred and twenty three miles. This plan, adopted in 1876, was amended in 1881 so as to provide for a depth of six feet. In its original condition, owing to logs, snags, fallen trees, bars and shoals, the navigation of this river was difficult and tardy. The work done has been to remove these obstructions, to blast and dredge rock and gravel bars and to deepen said bars by works of contraction and shore protection. The channel has been much improved and is now navigable from Montgomery to Mobile during the greater portion of the year. The commerce of the Alabama River is important, averaging annually from six to nine million dollars.¹

(9) Mobile Harbor- The Mobile Bay from its mouth to the City wharves is thirty miles; its width at its entrance from the Gulf is three and a quarter miles, at its lower anchorage about twenty miles and at its northern extremity it again narrows down to a width of about eight and a half miles.² In the original condition of this Bay the wharves of Mobile could not be reached by vessels of any considerable size owing to obstructions in the channel, particularly at the

1. Reports of Engineers 1886, 1897 and 1899.

2. Berney: Hand Book of Alabama, Page 504.

points known as Choctaw Pass, where the channel was only five and a half feet deep, and Dog River Bar where the depth was only eight feet.¹ All vessels except those of very light draft, were forced to lie in the lower anchorage twenty seven miles from the city. All cargoes had to be transported to and from them by lighters at an annual cost of not less than \$100,000.00. Cotton and other goods in passing up and down the Bay were "liable to damage from exposure to weather and it is fair to suppose that this was a prominent reason for the Liverpool cotton merchants assuming, as they did, that cotton going by way of New Orleans arrived in better order, and so should bring a better price than when they went by way of Mobile".² This was the status when work was begun by the General Government in 1829. Since that date there have been five different projects of improvement:

(a) under the original plan between 1827 and 1857 an unobstructed channel was obtained ten feet deep and about two hundred feet wide from Mobile to the Gulf of Mexico. (b) In 1870 the second stage was entered upon and proposed to open a channel from the City to the Gulf thirteen feet in depth and three hundred feet wide. (c) The plan was again amended in 1878 to provide for a channel of seventeen feet depth and

1. Report of Major Russell, 1886.
2. Memorial and Proceedings of the River and Harbor Improvement Convention assembled at Tuscaloosa, Alabama, November 17, 1885. Page 38.

two hundred feet width. This project was completed in 1889.

(d) While the plan was nearing completion the fourth was adopted. In 1888 work began under the fourth project which provided for a channel twenty three feet deep at mean low water. The upper end of this projected channel was moved from Mobile to the mouth of the Chickasawogue Creek, thus adding a little more than two miles to the length of the channel.

(e) The River and Harbor Act of March 3, 1899, appropriated \$100,000 for continuing this improvement: "provided, that a contract or contracts may be entered into by the Secretary of War for such materials and work as may be necessary with the view of ultimately securing a channel twenty three feet deep and one hundred feet wide at the bottom, with appropriate slope, to be paid for as appropriations may from time to time be made by law, not to exceed in the aggregate \$500,000.00, exclusive of the amount herein and heretofore appropriated". Under this provision the contract has been awarded and according to this plan work is now in progress.¹

The appropriations for this work have been as follows:²

May	20, 1826,	10,000.00
March	2, 1899,	10,000.00
June	25, 1834,	10,000.00

1. Report of Major M. I. Russell, July 20, 1896; and July 20, 1899.
2. Report of Engineers and Statutes at Large.

March	3, 1835,	17,997.60
March	3, 1837,	50,000.00
July	7 1838,	50,000.00
August	30, 1852,	50,000.00
March	3, 1857,	20,853.03 (Relief claim)
July	11, 1870,	50,000.00
March	3, 1871,	50,000.00
June	10, 1872,	75,000.00
March	3, 1873,	100,000.00
June	23, 1874,	100,000.00
March	3, 1875,	26,000.00
June	18, 1878,	10,000.00
March	3, 1879,	100,000.00
June	14, 1880,	125,000.00
March	3, 1881,	100,000.00
August	2, 1882,	125,000.00
July	5, 1884,	200,000.00
August	6, 1886,	90,000.00
August	11, 1886,	250,000.00
Sept.	19, 1890	350,000.00
July	13, 1892,	212,500.00
March	3, 1893,	500,000.00
August	13, 1894,	390,000.00
March	2, 1895,	<u>291,500.00</u>

March	16, 1886,	160,000.00	
June	3, 1886,	60,000.00	
June	4, 1897,	25,000.00	
July	1, 1898,	30,000.00	
March	3, 1899	<u>100,000.00</u>	
Total-			53,748,660.68

As will be seen from the above appropriations this work was neglected by the Federal Government between the years 1857 and 1870. The channel was found to have shoaled to seven and a half feet at Choctaw Pass in 1880. The matter was brought to the attention of the State Legislature and an Act was passed on February 21, 1880¹, appointing a "Board of Harbor Commissioners" who were to "deepen and improve the Bay and Harbor". Funds with which to operate were to be raised by issuing bonds of Mobile County not to exceed \$800,000.00. To meet these bonds and accruing interest the County officials were empowered to assess the people of Mobile County at the rate of twenty cents on every hundred dollars. The State as an aid to the work, was to give one-fifth of all revenues collected by the State from that County. When the improvements made should enable vessels of eight feet draught to approach the city wharves, at low tide, then six cents per ton was authorized to be charged on all cargoes until the debt was discharged. The Act required that the consent of

1. Acts of Alabama, 1889-90.

Congress should be obtained. It appears that Congress did not approve the plan and nothing was done.

In 1867 the citizens of Mobile County procured the passage of another Act of the Legislature appointing a Board for the prosecution of this work and requiring that the Revenue Commissioners of Mobile County should issue bonds (County) to the amount of \$1,000,000.¹ for this purpose. About \$200,000.² was thus raised and expended by Mobile County before the repeal of the Act by the Legislature of 1872-3. From these efforts no permanent improvements resulted. In 1870 the work was resumed by the Federal Government and since that date has gone steadily forward, gradually admitting to the city wharves vessels of heavier and heavier draft. A letter from Mr. A. C. Danner, of Mobile, to Major Rosselli, on June 9, 1896 states that "Mobile's tonnage movement for a next five years shows an increase of 4000 up to September 1, ultimo, and every month during the current year shows a steady and continuous increase of use for the channel".³ Between 1896 and 1899 there was an increase of 32% in the tonnage of timber, lumber, shingles, staves and cotton passing through this port.⁴

1. Acts of Legislature 1866-7, Page 507.

2. Memorial and proceedings of the River and Harbor Improvement Convention: Assembled at Tuscaloosa, Alabama, 1866, Page 36.

3. Report of Major Rosselli, 1899.

4. Report of Major Rosselli, 1899.

(10) The Tombigbee- The work done on this stream is divided into the following sections:

(a) From Walker's Bridge, Mississippi, to Fulton, Mississippi, a distance of twenty four and three quarter miles.

(b) From Fulton to Columbus, Mississippi, fourteen miles;

(c) From Columbus to Monticello, Alabama, one hundred and fifty six miles;

(d) From Monticello to the mouth of the Tombigbee, at its junction with the Alabama, a distance of one hundred and ninety one miles. The improvements thus cover a distance of five hundred and fifteen and three quarter miles.¹

(a) The plan on this portion has been to secure and maintain a channel for high-water navigation by the removal of snags, logs and overhanging trees. Appropriations toward this end began with the Act of August 11, 1868 and from that date to the last River and Harbor bill of March 3, 1899 have amounted to \$14,000.00 for this section. Work was promptly begun in 1868 and a channel has been secured which, at a rise of three feet above low water, is navigable by boats of light draft and by the heavy rafts of timber which are sent down the river to Mobile from this section. (b) The plan for section (a) is practically the same as that for section (b), from Fulton to Columbus. Work on this second division, however,

1. Report of Major Russell, 1896.

began earlier than on the first, and dates back to the survey authorized by Act of June 10, 1872. This project was completed in 1887 with a total expenditure to that date of \$27,293.65 from the funds allotted to the Warrior and Tombigbee rivers.¹ For the maintenance of this improvement separate appropriations began with the Act of July 16, 1882 and aggregated \$26,000.00 including the amount carried by Act of March 3, 1889.²

(c) From Columbus to Hemlockopolis the plan is to obtain a channel six feet deep at low water and maintain it by snagging and dredging and by constructing locks and dams.³ Up to the year 1890 work was done from the appropriations made to the "Warrior and Tombigbee Rivers" and (after 1880) to the "Tombigbee from Columbus to Vienna". In 1890 specific appropriations began for this section and from that date, September 14, to March 3, 1899, inclusive, \$160,000.00 have been allotted to this division.

(d) From Hemlockopolis to the mouth of the Tombigbee was improved by works of a temporary character between 1870, when the first surveys were made, and 1888. In the latter year an Act, of August 12, directed a new survey to be made. The

1. Report of Major Rossell, 1896 and 1897.
2. Report of Major Rossell, 1899 and Statutes at Large. Volume 30, Page 1134.
3. Rossell's Report for 1897.

project adopted under this survey is to obtain by snagging and breaking a channel of six feet at low water, and to overcome the chief obstruction, McGraw Shoals, one hundred and eleven miles above Mobile, by locks and dams. To 1890 the funds for this section were allotted from the appropriations to the Warrior and Tombigbee rivers, and the exact amount expended here is not known. In this year the appropriations become separate for this division and including the amount of March 3, 1899, aggregated \$680,000.00.

A summary of the appropriations for the Tombigbee River would then be as follows:

For Warrior and Tombigbee from

March 3, 1875 to March 3, 1879, ¹	\$110,000.00
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For Tombigbee

June 12, 1880,	\$1,000.00
March 3, 1881,	15,578.00
August 3, 1882,	21,000.00
July 5, 1884,	15,000.00
August 5, 1886,	18,750.00
August 11, 1888,	12,500.00
On Section (a) 1886-1888,	14,000.00
" " (b) 1889-1899,	23,000.00
" " (c) 1890-1899	160,000.00
" " (d) 1890-1899	680,000.00
Total-	\$1,010,628.00 ²

To this amount must be added the \$25,000.00 appropriated the State Legislature from the three per cent fund.

(11) The Warrior- This river extends from its junction with the Tombigbee near Opelika, to Tuscaloosa, a distance of one hundred and thirty miles. Above Tuscaloosa the stream is known as the Black Warrior. In its original condition the Warrior was so obstructed that its channel was not navigable except during high water and then navigation was extremely difficult and hazardous. The first survey was made in 1871. The first appropriation was made and in the following June work began. The improvements made up to 1890 were of temporary character. In this year a new plan was adopted and proposes to obtain a channel of six feet depth by the removal of logs and snags and overhanging trees and by the construction of locks and dams.¹ Six of the latter will be required between Tuscaloosa and Opelika. The Act of March 3, 1889, provides for the making of contracts for the construction of three of these locks and dams "next below Tuscaloosa"² and under these conditions work is now in progress.

From preceding page:

- (1) Between these dates appropriations were made to these two rivers collectively and it is impossible to determine from the reports submitted the amounts expended on each separate river.

(2) Acts of Alabama, December 19, 1887.

1. Report of Major Russell, 1896.
2. Statutes at Large, Volume 30.

To 1879 the work done was by funds allotted from the appropriations to the Warrior and Tombigbee.¹ Since that date separate appropriations have been made for the Warrior as follows:²

June 4, 1880,	820,000.00	
March 3, 1881,	10,631.00	
August 14, 1882,	111,000.00	
July 5, 1884,	12,000.00	
August 5, 1886,	18,750.00	
August 11, 1886,	18,000.00	
Sept. 19, 1886,	45,000.00	
July 13, 1892,	75,000.00	
August 11, 1894,	40,000.00	
June 3, 1896,	70,000.00	
<u>March 3, 1898,</u>	<u>220,000.00</u>	
Total-		\$534,371.00

(13) The Black Warrior- A large section of North Alabama, estimated at eight thousand square miles is drained by this river. The lands which skirt the river are fertile and productive and along its banks are found large and valuable deposits of coal. To get water transportation from the "Warrior Coal Fields" to Mobile is the main object for which improvements have been undertaken, both on the Black Warrior

1. Summarized above under the Tombigbee.
2. Report of Major Russell, 1879.

and the Warrior-rivers. The improvements on the Black Warrior cover a distance of fifteen miles, from Tuscaloosa to Daniels Creek. The present project for improvement was adopted in 1887 and proposes to construct five locks and fixed dams with a total lift of fifty-two feet. Work toward this one began in 1888 and three of the locks have been completed. On March 3, 1889, provision was made for the construction of the fourth lock and work is now in progress.¹

The appropriations have been as follows:

July 5, 1884,	50,000.00	
August 1, 1886,	50,250.00	
August 11, 1888,	100,000.00	
Sept. 19, 1890,	150,000.00	
July 13, 1892,	200,000.00	
August 18, 1894,	37,500.00	
June, 3, 1896,	10,000.00	
March 3, 1899,	<u>50,000.00</u>	
Total-		655,750.00

The State Legislature appropriated,² in addition to this amount \$20,000.00 to this river from the three per cent fund, as has been already mentioned in another connection.

Including the original land grant for the Tennessee River, the amounts expended by the Federal Government upon

1. Report of Major Fox Pitt, 1896 and 1898.

2. Acts of Alabama, February 7, 1889.

these items of improvement as above enumerated aggregate \$14,186,100.91. Thus Alabama has received about two thirds of one per cent of the amount which has been expended by the government upon such works in the various states of the Union.¹ In the projects now in execution for the improvements of the Alabama rivers the chief object is to accelerate the development of her mineral resources by giving water transportation to the coal. It is estimated that when the present plans are completed coal can be carried to Mobile at a charge of twenty five cents per ton, while the present rate by rail is one dollar per ton. With this reduction in freight rate coal can be delivered to vessels in Mobile at not exceeding \$1.5 per short ton, and Alabama would be enabled to compete with England as an exporter of coal to South America and the East and West Indies.² In passing through the Acts of Alabama one is impressed with the fact that water transportation has been of vital importance to the State. In the early days her rivers and their small tributary creeks served as her chief arteries of trade. Numerous acts incorporating "Navigation Companies" show that practically all the rivers in the State, even the smallest, were once used as lines of transportation. During the

- twenties, thirties and forties we find the tributaries to
1. Proceedings of the Rivers and Harbors Improvement Convention (Tuscaloosa 1897) Page 48; Address of General Joseph Wheeler.
 2. Proceedings of the Rivers & Harbors Improvement Convention, 1897. Pp. 35-6.

these rivers, the majority of them insignificant creeks, are declared by successive Acts of the Legislature as "public highways" and to fell trees across them, to throw logs into them, or to otherwise obstruct their passage was declared a public offense and punishable by law. With the development of Alabama's railroad system the great majority of these old lines have been abandoned and only the fittest have survived. With this transformation has come a shifting of trade and business from the old conservative villages which slumber on the river's edge to the more active and spirited railroad points. While the greater portion of the business in Alabama is now done by railroads still the influence of the rivers as competitors is most potent in guaranteeing reasonable rates. When the rivers are in heating order freights are low and, vice versa, low rivers make high rates.¹ Thus in Alabama as in other states of the Union, observation and experience points to the fact that the maintenance of a good system of water transportation affords the most effective safe guard against the potential evils of railroad consolidations which tend to throttle competition.

1. This fact is illustrated in the report on the Tombigbee for 1881. When the river, a competing line with the Mobile and Ohio Railroad, is navigable freight charges are reduced by the railroad. In 1874-80 the charge on cotton per bale was \$6.25 by rail during the low water season. When the Tombigbee became navigable rates prevailed ranging only from 50¢ to \$1.25 per bale. Memorial and Proceedings of River and Harbor Improvement Convention, 1885, P. 53-4.

CHAPTER IV.

CONSTRUCTION OF RAILROADS.

Federal Land Grants- The policy of Federal aid to railway building as with other forms of internal improvement has been a gradual growth. Legislation has proceeded not by sudden and radical measures differing from all precedent, but by small beginnings which gradually prepared the public mind for the more elaborate schemes which were to follow. From the policy of aid to wagon roads, canals, river and harbor improvements, we have been brought to the idea of small encouragement to railroad building. The granting of "rights of way" through the public domain to various railroad companies together with small lots of land for the erection of stations served as the precedents upon which was to follow the system of more positive aid by large grants of public land. Congress by Act of March 2, 1837¹ gave to the State of Indiana 34,240.76 acres of land as aid in constructing the Wabash and Erie Canal. On March 3, 1838² Congress authorized the State of Illinois to divert this canal grant and to use the proceeds from these lands in the

1. U. S. Statutes at Large, Volume 4, Page 166.
2. U. S. Statutes at Large, Volume 4, Page 608.

construction of a railroad should the latter seem preferable to a canal. This was the first congressional enactment providing for a land grant in aid of a railroad.¹ This privilege was not utilized by the State, but the Act serves to show the growth of the feeling that if Congress could aid in making canals it could also aid in building railroads and points to the fact that public aid will increase to such works as enthusiasm mounts higher for improvements of this character. The first right of way (thirty feet on each side of its line) through the public lands for a railroad, from Tallahassee to St. Marks, with use of timbers and other building materials and ten acres of land as the terminus, was granted to a Florida company by Act of March 3, 1835.² From this time forward similar privileges were granted to various other railroad companies up to 1850 when was passed the first railroad act of any real importance. This Act was skillfully engineered through Congress by Senator Douglas of Illinois in the interest of the Illinois Central Railroad and initiated that system of Congressional land-grants which prevailed until after July 1, 1862.³ On the latter date a new system was inaugurated in aiding the Pacific Railroads. Formerly the States had been made to the States as guardians or trustees

1. Public Land Commission; Exec. Doc. 3rd session 40 Cong. Parts 1 & 4, Page 261.

2. U. S. Statutes at Large, Volume 4, Page 973.

3. Public Land Commission: Parts 1 & 4, P. 261.

for the roads, thus yielding to the old contention that Congress could not create a corporation to do business in a state without the consent of that state. After 1862 this claim was disregarded, as were many others of the old States' Rights theories; the grants are now usually made to the corporation direct thus brushing aside the state as trustee or agent of transfer.¹ Under these two systems (the granting of alternate sections² either to the state or to the corporation direct) the Federal Government to June 30, 1880 had made railroad grants amounting to about two hundred and fifteen million acres of land. In 1881 it was estimated that the amount would be reduced by forfeitures to 155,504,884 acres.³

The pioneer railroad bill was passed only after it had been closely debated.⁴ Senator Douglass, some years later, in speaking of its passage, remarks: "If any man ever passed a bill I did that one. I did the whole work and was devoted to it for two years". The bill was introduced in Congress in 1848 and was bitterly opposed by many (the Representatives and one of the Senators of Alabama among the number)

both on account of inexpediency and because of constitutional

1. Public Land Commission: Parts 1 & 4, Page 397.
2. This system was based on the claim that when the alternate sections were thus granted along the line of the railroad the sections retained by the Government would be enhanced in value. The price per acre, therefore, of the remaining contiguous sections was doubled, being raised from \$1.25 minimum price to \$2.50 per acre; thus it was contended the Government lost nothing by the grants. Speech of Senators Douglass & Spierces, Cong. Globe, Vol. 21, Part 1, p. 84-85.
3. Public Lands- Parts 1 & 4- Page 398.
4. Cong. Globe: Vol. 1- Part 1- pp. 84-85 and 86-87.

objections.¹ Senator Bagby of Alabama commits himself firmly to the opposition, "For myself", he said when speaking of the bill, "I shall consider it my duty to resist such propositions to the last----- there is no soundness in the proposition and it is vain to tell us that the constitutional question can be settled by precedent".² From the time of the debates, however, it seemed to be a foregone conclusion that Senator Douglass' bill though fettered by constitutional objections, would finally be passed, and others manifested a desire to secure some of the good things while they were going. Thus while Senator Bagby was putting himself firmly in the opposition his colleague, Senator King, was busying himself with introducing bills carrying similar grants for prospective railroads in Alabama.³ The bill in 1848 passed the Senate but failed in the House. In 1850 the bill comes forward again and with brighter prospects. Senator King is one of the most ardent advocates while his colleague is no longer heard in the opposition. To the Mississippi representatives also the bill seems to have become less objectionable. In the meantime Senator Douglass had heard that the Mobile Railroad, then building, had failed for want of means. Globe

1. Cong. Globe, Appendix to Vol. 19, pp. 564-87.

2. Cong. Globe: 1st Sess. 36 Cong. Appendix, p. 505.

3. Cong. Globe, 1st Sess. 36 Cong. 1848, pp. 939, 1038, 1061.

to Mobile he met the directors of the railroad company and proposes to procure a land grant for that road by making it a part of his Illinois Central Railroad bill, provided the Representatives and Senators from Alabama and Mississippi (the two states most interested in the success of the Mobile Railroad) would support his measure. The proposition was accepted, Senator Douglas returned to Washington, and through the influence of the directors of the Mobile road the Legislatures of Alabama and Mississippi instructed their Congressmen and Senators to support the bill after it had been so amended as to carry for these states privileges proportionately equal to those gained for Illinois.¹ With all dignity and deference the amendment was offered by him,² was accepted by Douglass. The bill now assumed, in the eyes of some, a more constitutional aspect. The opposition was so weakened that with still further skilful manipulation it was finally passed by a small majority and became a law on September 20, 1850. The Act granted to the State of Illinois, for the purpose of aiding in making the Illinois Central Railroad and its branches, "every alternate section of land designated by even numbers, for six sections in width on each side of said road and branches."³ and carried for Illinois 2,500,055

1. Public Land Commission, Parts 1 & 4, P. 265.

2. Cong. Globe Volume 21, Part 1, p. 845.

3. Public Land Commission: Parts 2 & 3, P. 180.

acres or less.¹ The amendment (section 7 of the Act) is as follows: "And be it further enacted, that in order to aid in the construction of said Central Railroad from the mouth of the Ohio River to the City of Mobile, all the rights, privileges and liabilities hereinbefore conferred on the State of Illinois shall be granted to the states of Alabama and Mississippi respectively, for the purpose of aiding in the construction of a railroad from said city of Mobile to a point near the mouth of the Ohio River, and that public lands of the United States, to the same extent in proportion to the length of the road, on the same terms, limitations and restrictions in every respect, shall be, and is hereby, granted to said States of Alabama and Mississippi respectively".

Under this Act and others based upon it as precedent the State of Alabama has received the following amounts of land granted as aid to railroad building in the State:²

Mobile & Ohio, September 20, 1850,	419,513.44
Alabama & Florida, May 17, 1850,	598,022.84
<u>Selma, Rome & Dalton³, June 3, 1850,</u>	<u>858,512.96.</u>

1. Public Land Commission: Parts 2 & 3, . . 184.
2. Taken from Report of Secretary of Public Lands, 1897. House Documents, Vol. 17, pt 246. Amounts indicate the number of acres patented up to June 30, 1897.
3. The original Act made the grant to aid the Alabama and Tennessee Railroad; a later Act confirmed the lands to the Selma, Rome & Dalton road.

Alabama & Chattanooga, June 3, 1850,	654,900.00
South & North Alabama, June 3, 1850,	445,154.78
<u>Mobile & Girard¹, June 3, 1850,</u>	<u>302,181.46</u>
Total-	3,677,678.86 ² acres

The Two and Three Percent. Funds- Congress by Act providing for the admission of Ohio into the Union declared that³ "One-twentieth part of the net proceeds of the Lands lying within the said State sold by Congress, from and after the thirtieth day of June (1802)..... shall be applied to laying out and making, public roads leading from the navigable waters emptying into the Atlantic, to the Ohio, to the said State and through same, such roads to be laid out under the authority of Congress, with the consent of the several states through which the road shall pass". All public lands in Ohio were to be exempt from taxation by the State for a term of five years from the date of their purchase by settlers and this five per cent of the land sales was offered as one of the items of compensation to the State for this relief given to her immigrants. The people of Ohio in accepting the terms for her admission requested that three per cent. of this fund

might be applied to making roads within the State under the
 1. The original grant carried 504,145.85 acres but owing to forfeitures this was reduced to the above amount by an adjustment made April 14, 1880.

2. In addition to this, 67,784.90 acres were granted Alabama for the Coosa and Tennessee road. Of the construction of the road there was no evidence found in the General Land office up to 1887 and the grant is supposed to have lapsed.
 3. Statutes at Large: Vol. 2, p. 173, April 30, 1802.

control and supervision of the State Legislature, while the remaining two percent was to be expended by Congress in making roads leading to the State. This proposition of the Ohio people was accepted by Congress and found expression¹ in the modified Act for Ohio's admission into the Union.² Thus originated the custom according to which so many of our states, upon their admission to the Union, were given their "two and three per cent. funds" on the same condition under which Ohio received hers. On March 3, 1819, Congress passed the Act providing for the admission of Alabama into the Union. Under this Act five per cent. of the net proceeds of the lands lying within the territory of Alabama and sold by Congress from and after the first day of September, 1819, was "reserved for making public roads, canals, and improving the navigation of rivers" three fifths to be applied within the State under the direction of the State Legislature "and two fifths to the making of a road or roads leading to the said State under the direction of Congress."³ Thus originated what was designated the "two and three per cent. fund" and which was the subject of so much discussion and controversy in the history of Alabama's legislation. Congress constructed no road leading to the State and up to September 4, 1841, no

1. Statutes at Large, Act March 3, 1803, Sec. 2.

2. Act of March 3, 1803, Statutes at Large, Vol. 2, p. 225

3. Statutes at Large, Vol. 3, p. 491.

disposition had been made of the two per cent. fund. On that date Congress passed an Act¹ relinquishing this fund to the State of Alabama on condition that the fund should be "faithfully applied under the direction of the Legislature of Alabama, to the connection by some means of internal improvement, of the navigable waters of the Bay of Mobile with the Tennessee River, and to the construction of a continuous line of internal improvements from a point on the Chattahoochee River opposite West Point, in Georgia, across the State of Alabama, in a direction to Jackson in the State of Mississippi". The terms were accepted and the State became thus the sole trustee for both funds. The Legislature by Act of December 10, 1843, invested the three per cent fund in the State bank of Alabama, became an integral part of the capital of that institution and only \$135,000² was expended in efforts at internal improvements. With the failure of the bank the whole of the fund was lost. In 1859 a joint Committee from the two Houses of the Assembly reported that the State of Alabama as trustee was responsible for all monies which had been received, together with interest at six per cent, from the dates upon which the amounts had been paid by the United States. According to this view the State was due this three per cent fund \$658,486. With this report the

1. Statutes at Large, Vol. 5, p. 457, section 17.
2. Acts 1857-9. Spent on rivers in the State, as detailed in the previous chapter.

Legislature concurred. This amount, assumed¹ by the State as her indebtedness to the fund, was distributed, as loans, to various railroad enterprises as follows:²

North East & South West Railroad Co.,	\$18,155.00
Wills Valley Railroad Co.,	75,000.00
Selma & Gulf Railroad Co.,	40,000.00
Calhoun, Marion & Greensboro Railroad Co.,	25,000.00
Opelika & Oxford Railroad Co.,	50,000.00
Montgomery & Bufalia Railroad Co.,	30,000.00
Tennessee & Coosa Railroad Co.,	195,363.00
Alabama & Tennessee River Railroad Co.,	<u>225,000.00</u>
Total-	\$858,498.00

These loans were to bear interest at the rate of six per cent and were secured by bonds. By Act of December 30, 1868, the "South and North Alabama Railroad Co." was given the entire fund. All the bonds, securities and obligations belonging to this fund were transferred to the South and North Alabama Railroad Co." The State was released from all liabilities, and control over the fund passing to this Railroad as sole beneficiary.

The two per cent fund passed to State control in 1841 under the conditions which have been already stated. From this fund loans were made as follows.³

1. By Act approved February 18, 1860.
2. Auditors Report, October 12, 1869.
3. Auditors Report, October 12, 1869.

Montgomery & Alabama Rail Road, March 1, 1848,	116,782.04
Marion's Plank Road Co., December 16, 1853,	9,477.47
Alabama & Mississippi Rivers Railroad Co., Feb. (27, 1855,	28,900.72
Alabama & Mississippi Rivers Railroad Co., Feb. 18, 1856,	<u>13,178.74</u>
Total-	\$178,401.57

The above amounts contributed to the completion of the East and West line of internal improvements across the State

Alabama & Tennessee River Railroad, May 6, 1851,	65,901.76
" " " " " " 5, 1852,	62,179.83
" " " " " April 20, 1855,	17,976.47
" " " " " February 15, 1856,	28,178.78
Tennessee & Coosa River Railroad Co., Feb. 15, 1856,	<u>53,513.15</u>
Total-	\$202,560.00

These amounts contributed to the completion of that plan so long discussed and cherished by the people of Alabama- the connection, by some line of transportation, of North and South Alabama. Thus, too, were fulfilled the conditions upon which the two per cent. fund was surrendered by Congress to State control. By Act of December 20, 1868, the South and North Alabama Railroad was declared the beneficiary of the two and three per cent. funds. The greater portion of this two per cent. fund was now in the hands of various railroad companies to whom loans had been made for the purpose of encouraging the several railroad projects throughout the

State. In accordance with this Act of 1868 the bonds and securities executed by these railroad companies were delivered to the "South and North Alabama Railroad Co." and were as follows:

North East and South West Alabama Railroad Company,	806,400.00
Hills Valley Railroad Co.,	67,575.00
Alabama & Mississippi Railroad Co.,	66,500.00
Montgomery & Mireaula Railroad Co.,	56,051.84.
Opitika & Oxford Railroad Co.,	66,500.00
Calaba, Marion & Greensboro Railroad Co.,	<u>38,611.45</u>
Total-	861,506.59 ¹

Thus the bulk of the "two and three per cent fund" was restored upon the "South and North Alabama Railroad". This road was put in operation in 1872. It connects Decatur, Alabama, on the Tennessee, with Montgomery, on the Alabama River. The road has one hundred and eighty five miles² of track and is now operated as a part of the Louisville and Nashville system.³

STATE AID: POLICY PRIOR TO CIVIL WAR--

In 1816 was constructed the first railroad in Alabama. This road ran from Birmingham to Tusculumia.⁴ This was followed

2. Report of the Alabama Railroad Commissioners, 1898.
3. Finney's Land Book of Alabama, p. 385.
1. Auditor's Report, October 1st, 1899.
4. Brewer: History of Alabama.

by the construction of the western railroad from Selma to Montgomery to the eastern boundary of Alabama, the second line of the State. From this line an interest in railroad building grew apace, and there developed a strong feeling among the people that the State should render some positive aid towards improvements of this character.¹ Various obstacles, however, prevented this feeling from finding expression in any legislative acts. In 1861 the Committee on Internal Improvements made their report to the Legislature of Alabama in which the policy of the State is reviewed as follows:

"The history of Alabama from the first of the State to the present period exhibits not one serious effort on the part of the Legislature to advance the great interests of agriculture, commerce or manufactures, which by the form of our government are subjected to its protection and control. Other states are rich because they are old, but our destiny seems to be to grow old and poor together----The caravan of the emigrant tells the tale of a young state falling into premature decay and deserted for fresher lands which in time will probably be doomed to the same fate". The State, it is urged, must do something to "consolidate her northern and southern sections", she must give her citizens an "access to market", that her people may become "anchored to the soil"

1. Governor's Message of November 1864, November 1865, November 1866, December 1868.

and let of their "desire for wandering to the far West".¹

The report mentions the fact that other states are forming ahead in such works. To items of internal improvement Virginia has recently subscribed eight million dollars; Maryland five millions; New York three millions as a bonus to one enterprise alone, the Erie Railroad; Massachusetts six millions; Missouri two millions to the St. Louis and Pacific Railroad; Tennessee one million three hundred thousand loaned to the Chattanooga Railroad; Georgia three and a half millions to one road. The report urges that Alabama should enlist in aiding similar enterprises and recommends that the present Legislature endorse railroad bonds to the extent of two million dollars. Regardless of this enthusiastic appeal the Legislature would not commit the State to a positive policy of internal improvements. Several causes may be assigned as explaining the persistent lethargy or conservatism on the part of the State. In the first place the State's finances have not yet recovered from the collapse which came with the failure of her Bank: taxation was still high, the people were sensitive to every touch of the tax-gatherer and many of them stood ready to oppose any measure which embodied a higher tax rate. Again the management and success of the old State Bank had not been of such a nature as to inspire confidence

1. Report of F. Phillips, chairman of Committee on Internal Improvements: House Journal, 1861-2.

in the integrity or ability of the State as an undertaker. Those who opposed the policy of State aid used this as one of their strongest arguments, reminding the people very effectively that the State's past record as an entre-promneur was one not altogether glorious. A third cause may be found in the fact that there was a strong element in the population of Alabama which was restless, roving, shifting and actuated by a spirit of exploitation rather than development, not feeling sure that they were permanently located but thinking of the more distant West as the place of final destination.¹ This element acted as a check to the spirit of internal improvements; for a system of such works, whose completion will require an extended period of time, and whose fruits must be reaped at some future date, will be advocated only by those who feel themselves permanently at home and deeply rooted to the soil. There are traces also of sectional jealousies creating friction and retarding legislation. Finally Alabama was proverbially of the "strict construction" school; many of her leading statesmen firmly adhered to the principle that taxation should only be employed for carrying on government and that the promotion of works of internal improvements should be left to private capital. In 1855 the subject of State aid to railroads was made one of

1. We have noted in the second chapter the tide of emigration to Texas.

the issues of the State's political campaign.¹ John A. Winston planted himself firmly on the side of opposition to public aid and was the successful candidate for Governor. In his inaugural address on December 20, 1855, he declared his unwillingness that the State should engage in works of internal improvement, or become security for such, until the whole public debt should be paid. During this session of the Legislature this question was one of the chief topics of discussion. The spirit of conservatism, however, again prevailed and the Governor's views were sustained. The election in 1858 showed that the policy of the administration was highly endorsed by the people: Governor Winston was reelected by a large majority, having received the largest popular vote that had ever been cast in the State for any candidate for the Executive.² The Legislature which met in the following December came fully determined to launch the State into a policy of public aid to railroads. The Governor was more determined that such a principle should not be established, and by his frequent exercise of the veto power he became known as the "Veto Governor" of Alabama. During this session of the Legislature he returned, without his approval, a number of their passing bills thirty-three bills which carried loans or other advantages to railroads. In vetoing one of these bills, the Governor ex-

1. Garnett: Reminiscences pp. 577, 580-2.

2. Garnett: Reminiscences p. 616.

3. The bill was to grant Lincoln County to subscribe \$200,000.00 to the capital stock of the "Tennessee and

pressed his views at some length and assigns the following reasons for withholding his approval: (1) By the bill the tax-payers of Limestone County, many of them without consenting, will be forced to become stockholders in a private corporation. "Many able jurists and profound statesmen are firm in the conviction that such a forced tax, or investment, is unwarranted by the constitution or by any legitimate influence from the principles of our government". The bill cannot be justified by precedent, for to the enlightened statesman belongs "the duty of correcting errors, which, though consecrated by centuries of toleration and backed and propped by a thousand precedents, are but errors still".

(2) It is better "that the construction of railroads, as well as all other improvements of supposed public utility be left to the slower and safer details of interest, rather than resort to the doubtful power of making the people involuntary builders". The objects, "few and simple", of our government are to "protect every man in the legal pursuit of wealth and happiness and in the enjoyment of the fruits of his own labors". This proposition defeats such objects, it opens the door to "anarchy and to the legislative and judicial confiscation of the labor and property of every individual for the use of others. It is an act of legislative usurpa-

and Alabama Central Railroad Co." and was passed over the Governor's veto on December 14, 1855. Acts of Alabama.

tion, and destructive of a government founded on justice". Thus seeing the measure both inexpedient and unconstitutional he is assured that his disapproval will be vindicated both by results and by popular approval.¹ Again on January 9, 1856,² he reiterates the doctrine that "the only purpose for which the government has a right to tax is to carry on the affairs of the government and to pay obligations already existing----- The experience of Alabama is fruitful of the bitter consequence of making expediency paramount to principle. The proposition to use the credit of the State to promote the pecuniary interests of any class of citizens has, almost without any opposition, been pronounced against by the people of Alabama"; for he had been elected to the Executive with the "full understanding" that he would not "sanction any measure using or pledging the credit of the State for any purpose whatever". Again there is no money in the Treasury available for loans to railroads unless the bills of the old State bank and branches be reissued. To re-emit these bills of banks long since put in liquidation would be a measure unconstitutional³ and would result in giving the State a depre-

1. Message of December 16, 1855. House Journal p. 162.

2. Senate Journal, Page 140.

3. The position was held that it would not be the State issuing "bills of credit" since the banks were in process of liquidation. Up to this time, however, the bills had continued in use and no serious objection had been raised, though the constitutionality of the practice had been often questioned.

ciated currency, a policy most ruinous to financial interests. Regardless of the Governor's firm opposition and over his unequivocal vetoes laws were passed granting loans to railroads as follows:

Alabama & Tennessee Rivers Railroad Co.,	
(January 11, 1856,	\$200,000.00

Memphis & Charleston Railroad Co.,	
(January 21, 1856,	300,000.00

The Acts provided that the loans should be secured by first mortgage interest bearing bonds and also by "personal securities to be approved by the Governor". The impression prevailed that the Governor had little confidence in the solvency of railroad companies and that he would be rather exacting in applying the "personal security" clause. At any rate the loans were never called for before later acts¹ repealed the laws authorizing such loans. Governor Winston in his annual message of 1857 rather congratulates himself upon the prosperity and success which had resulted from the triumph of the policy which he had persistently adhered.

"By a firm and steady course of patient endurance and economy, the greater portion of an enormous debt- incurred by financial empirics and a departure from the legitimate purposes of government- has been liquidated; and the credit of Alabama not only sustained unimpaired, but restored to that high po-

1. Passed February 6, 1856.

sition which it should be our first duty to maintain for it. By a steady resistance to the policy of over zealous enthusiasts and interested incorporations, we have been enabled to avoid that load of responsibility and debt which has been incurred by older and greater states, and which ^{will} for generations, rest upon their people and retard their progress. The correctness of the principle of an entire separation of state from private enterprises and speculations, and leaving to individual energy and private capital the construction of such works as the facilities of commerce may require, is being established by time, and the experience of other states, to such a degree as to give us abundant cause for congratulation that we have been able to resist a popular error, though subjecting ourselves to the taunts and reproaches of those who adopted a different policy. It is well for states and individuals to be behind the spirit of the age when that spirit impels us only to embarrassment and bankruptcy. When we see works of magnificent extent and grandeur, constructed at a cost almost too great for belief pronounced, as state works, failures, and thrown upon the market for the purpose of relieving the people of the expense of keeping them up, we have abundant cause to be thankful that we are not in a like predicament, and that we took warning in time". The people of other states are now hurried with taxation to support works which they had been persuaded would give relief from

all taxes and furnish the revenue for the carrying on of the state government. "The constitution", he continues, "gives no power to tax the masses that any particular class or interest may be advanced. "The only just object of taxation is to meet the wants of government, economically administered, and to secure the ends of public justice. "Whenever a government extends more than is absolutely necessary for these purposes it becomes an oppression".

The first duty of the State is to pay what she now owes and then avoid the accumulation of any surplus by a speedy reduction in the rate of taxation. The loans granted to several railroad companies, by acts of the last Legislature", have not been called for; and had application been made it would have been in vain on account of lack of funds, and to have re-issued the bills or notes of the old State Banks, long since in liquidation would have been violating the Constitution of the United States.¹ This subsided the strongest wave of enthusiasm that had yet been made for state aid to internal improvements in Alabama. This, too, was the last effort made prior to the Civil War to launch the State into such a policy.

STATE AID SINCE THE CIVIL WAR

In 1867 the railroad was renewed and Alabama, for the

1. House Journal: p. 18: Session 1857-8

first time in her history, adopted a policy of public aid to railroad building. During the session of 1865-6 the Legislature passed an "Act to establish a system of internal improvements in the State of Alabama." The Act declared that "whenever any railroad company now incorporated by the General Assembly of the State of Alabama, should have finished, completed and equipped twenty continuous miles of road at either or both ends of the road it should be the duty of the Governor of the State and he is hereby required to endorse on the part of the State, the first mortgage bonds of the said railroad company to the extent of twelve thousand dollars per mile for that portion thus finished, completed and equipped, and when a second section of twenty miles is finished, completed and equipped, it shall be the duty of the Governor, and he is hereby required to endorse the first mortgage bonds of the said railroad company, upon the presentation of said mortgage bonds by said company, to the extent of twelve thousand dollars per mile for the second section of twenty miles, and this rate and extent of endorsement shall be continuous upon the condition for each subsequent section of twenty miles until said railroad is completed". On August 7, 1865¹ the above Act was amended. After the completion of the

1. Acts of Alabama 1865, p. 17.

first twenty miles the bonds should be endorsed as under the original act, "and when a second section of five miles is finished, completed and equipped it shall be the duty of the Governor and he is hereby required to endorse the first mortgage bonds of said railroad company to the extent of twelve thousand dollars per mile for the second section of five miles, and this rate and extent of endorsement shall be continued upon the same condition for each subsequent section of five miles, until said road is completed".¹ In 1868 William H. Smith, the Provisional Governor of the State, in his message to the Legislature reviewed the policy of the State toward internal improvements under the old regime, and suggests that a more progressive policy be adopted in the future. "The same system of labor which imposed ignorance heretofore upon the masses of the community led our law makers to neglect the elements of wealth with which Alabama is blessed beyond almost any other State----- To change our policy in regard to these interests, to foster every enterprise that seeks to develop natural wealth of the State and attract hither a great portion of the great tide of the foreign immigration as well as of the skilled laborers and capital of the North will be a pleasant and profitable task, and will doubtless engage your early and earnest attention."² The legislative halls were thus filled with that spirit of progress which was born in the first flushes of the new regime. There are evidences too that some of the members were peculiarly susceptible to those mercenary influences which have been quite potent in the legislative history of so many of our states when dealing with large corporate interests. A plan yet more positive was adopted by Act approved September 22, 1868. The rate, or extent, of endorsement was now increased to sixteen thousand dollars per mile. After the completing and equipment of the first twenty miles the first bonds should be endorsed and the endorsement should be repeated at the completion of each subsequent five mile section. At this session of the Legislature was also passed "an Act to authorize the several counties and towns and cities of the State of Alabama to subscribe to the capital stock of such railroads throughout the State as they may consider most conducive to their respective interests".³ The question of "Subscription" or "No subscription" was to be determined by the vote of "qualified electors" of the counties and towns whenever the President and directors of a railroad company should signify to the

1. Acts of Alabama 1868, p. 198.

3. Acts of Alabama 1868, p. 514.

2. Governor's Message, July 14, 1868.

authorities, (County Commissioners or Mayors of Municipalities) their desire to obtain loans or subscriptions to stock then the said authorities were to order elections to be "conducted in the same manner and by the same officers as are now provided by law". If the vote should declare for "No subscription" it is declared lawful for the authorities to order a second election if the interested railroad company should make another application within twelve months. If a majority of the qualified voters declare for "Subscription" then bonds, to the extent of the amount voted, and required to be issued to the company, in exchange for certificates of stock. The interest on the bonds is to be not a tax levied and assessed by County Commissioners or Municipal authorities. The latter were given full power or procedure against the "tax assessors and collectors and their sureties" for the amount of said taxes which they might fail or refuse to assess and collect. To put these loans or subscriptions on a firm basis the Legislature, by Act approved March 1, 1870,¹ "legalized, ratified and confirmed in all respects" all acts and things of every kind heretofore done and performed in this State for railroad purposes, in substantial compliance with the provisions of" the Act of December 31, 1868. Under this Act of 1868 many of the Counties and Municipal localities in Alabama became liberal subscribers to railroad enter-

1. Acts of Alabama, 1868-70 p. 299.

prises and incurred debts, which many have not even yet succeeded in extricating themselves, and no dividends have, as a rule, accrued to the shares owned in the railroad stocks.

The above loans authorized to be made by the State were to be secured by "first mortgage bonds". In 1868 the State Auditor refers to the fact that the value of roads which had secured loans, including all main and side tracks, all rolling stock, in fact, "everything that could be embraced by a first mortgage bond" was less than thirteen thousand dollars per mile, "full, fair and just valuation as per affidavits of the Presidents and Secretaries of the roads". He emphasises the danger threatening the State from making loans at the rate of sixteen thousand dollars per mile, and urges that the law should be repealed.¹ Governor Smith, though an enthusiast for State aid thinks the law is too broad, and forces the State to aid in constructing local schemes of rival and jealous communities. As no end to the loans can be seen he recommends that the law be repealed.² The Legislature, however, did not concur in this view. "The railroads again triumph in the struggle. It is not my province to inquire how that triumph was effected", said Governor Lindsay in referring to the proceedings of this body.³ The general conscription sys-

1. Auditors Report, October 1, 1869.

2. Message of Governor November 16, 1868.

3. Message of Governor Lindsay, January 24, 1871.

tee was re-elected¹ and additional and special aid was granted to four railroads as follows:

South & North Alabama Railroad Company, \$6,000 per mile added to former endorsement, this making, \$22,000 per mile for this road.²

Alabama & Chattanooga Railroad Company- granted a loan of \$2,000,000.00³, this in addition to the endorsement already made by the State.

Mont. Emery & Augusta Railroad Company- granted a loan of \$300,000.00 in addition to the regular endorsement of \$16,000 per mile.⁴

Mobile & Montgomery Railroad Company - Governor to endorse on the part of the State, bonds to the extent of \$2,500,000.00⁵

In his message of January 14, 1871, Governor Lindsay informs the Legislature that it is impossible to ascertain as "to what extent bonds under the various statutes have been endorsed and issued by the State. Neither in the Executive office, nor in any other office of the Government could be found a record of the action of the Executive in this regard. I have no knowledge of the action of the Executive except those of

1. Act approved by Governor Smith February 21, 1870, Acts of Alabama 1869-70, p. 148.
2. March 3, 1870. Ibid, p. 374.
3. February 28, 1870, Ibid., p. 175.
4. March 3, 1870, Ibid. p. 376.
5. February 28, 1870, Ibid. p. 175.

the Montgomery and Mobile and of the Montgomery & Gulfville Railroads; and unless from rumors or unofficial information I cannot even suppose the number of bonds endorsed to any company, the time when and where payable, or whether endorsed or issued according to law".¹ In this state of confusion the finances of Alabama remained until final adjustment was made during the administration of Governor George S. Houston. The latter on December 7, 1874, in a message to the Legislature,² recommends the enactment of a law providing for the ascertaining and final adjustment of the State's indebtedness. In practical conformity to the plan there suggested, the Legislature passed an Act³ authorizing the Governor to act as an "ex-officio member, with two others whom he should appoint, or a "board of commissioners" whose duty it should be to "ascertain, liquidate and adjust the subsisting legal liabilities of the State of Alabama, the adjustment and settlement to be "approved and ratified by the General Assembly" before it becomes binding on the State. Levi J. Lantier and T. B. Nathan were appointed by Governor Houston and with him constituted the Board of Commissioners by which the settlement was finally arranged with the railroad companies. The Board, having been engaged about twelve months with this work,

1. House Journal, 1870-71.

2. Senate Journal 1874-5, p. 106.

3. Approved December 17, 1874. Acts of Alabama 1874-5 p. 102

submitted their report¹ to the Legislature on January 14, 1876. Owing to the incompleteness of the records of the bonds issued and endorsed the Commissioners addressed inquiries to the bondholders through papers published in Alabama, New York and London. All creditors of the State were requested to present their claims for adjustment. It was thus ascertained that the indebtedness of the State was \$80,000,000, an amount "equal to one-fifth of all the property of the people" of the State.² Of this amount a large share was incurred in the interest of railroad building, and was distributed as follows:³

Alabama & Mississippi Railroad, ⁴	\$7,800,000.00
Galva, La. & N. O. R. R.,	765,000.00
New Orleans & S. O. R.,	520,000.00
Mobile & Gulf,	640,000.00
East Alabama & Cincinnati,	400,000.00
Montgomery & Mobile, ⁵	1,580,000.00
Savannah & Memphis,	<u>145,000.00</u>
	11,145,000.00
Unpaid interest due on these bonds	
to January 24, 1876,	<u>3,474,000.00</u>
	\$14,619,000.00

1. Senate Journal 1875-'76, p. 203-25.

2. Ibid p. 218.

3. Ibid p. 211.

4. Endorsed bonds \$5,800,000. plus \$2,000,000. straight bonds the endorsed bonds exceeded by \$800,000. the maximum amount authorized by any possible construction of the laws.

5. Endorsed bonds \$1,280,000 plus \$300,000. straight bonds.

In addition to this amount straight seven per cent interest bearing bonds were held by the following railroads:¹

South & North Alabama,	1732,000.00
Grand Trunk,	220,000.00
Savannah & Memphis,	<u>204,000.00</u>
	\$1,156,000.00

We thus have an indebtedness of \$15,777,000.00 to be adjusted by the Commissioners. The latter in their report recommend the following plan of adjustment: For the \$5,500,000.00 endorsed bonds of the Alabama & Chattanooga Railroad were to be issued \$1,000,000.00 in "new State direct bonds", bearing interest at four per cent and maturing in thirty years from their date. The \$2,000,000.00 of "straight" bonds loaned to the Alabama and Chattanooga Railroad were to be returned and delivered to the State of Alabama, and in exchange for these bonds the State should surrender all bonds and mortgages held against the road. Thus Alabama was to relinquish all claims to lands² and all other property belonging to the road, and in return was to be released from all liabilities to the road except the \$11,000,000.00 new bonds to be issued.³

1. An Act of April 21, 1876 (Acts of Alabama 1872-3 P. 45) authorized the governor to issue these straight bonds at the rate of \$4000.00 per mile to such roads as would relinquish all their endorsed bonds. Only the above three roads saw fit to make the exchange. These direct bonds of \$1,156,000. were received by these roads in exchange for \$5,106,000 of endorsed bonds. This latter amount added to the above sum \$11,147,000.00 gives us a total of \$16,250,000.00 of bonds loaned to, and endorsed for the various railroads during this period.

As to the other five roads for which bonds had been endorsed- (a) Montgomery & Chifaula, (b) East Alabama & Cincinnati, (c) Selma & Gulf, (d) New Orleans & Selma- the Commissioners report "that there is litigation pending in the courts of this State and Tennessee of an unimportant character, involving points of law that will in all probability very materially change the aspect of what is claimed as the liability of the State upon its endorsement of the bonds of these companies; and we trust may result in convincing the holders of said bonds that their true interest will be best advanced by their acceptance of a transfer of the lien of the State created by statute, and giving to the State a full discharge from these pretended claims against it".¹

For the \$1,150,000.00 direct bonds issued in exchange for the endorsed bonds under the Act of April 21, 1878, the report recommends² that new bonds be substituted "on the basis of fifty cents in the dollar or the principle of those outstanding, the new bond to have thirty years to run at five per cent per annum". This plan was adopted by the Legislature.

2. The State held mortgages on the lands donated by the Federal Government for the construction of this road.
3. These were "the terms of a proposed settlement by way of compromise, arrived at after prolonged discussion" between the Board of Commissioners "and Mr. T. W. Snagge, the standing counsel of the corporation of foreign bondholders, acting under the council of the corporation, to confer with the Governor and other Commissioners". Report of Commissioners- Senate Journal 1878-9- p. 324.

1. Ibid, p. 217.

2. Ibid, p. 210.

An act "to ratify and confirm the settlement of the existing indebtedness of the State, as proposed in the report of the commissioners" was passed by which the liabilities of the State were reduced to \$1,596,000.¹ While it left "open for further settlement the liability of the State upon outstanding endorsements for the five other railroad companies" enumerated above.² These latter claims were deemed by the State to be invalid and were never recognized though efforts were made for their collection.

Upon the terms of this Act settlement has been made as the bonds have been presented for exchange, the process having covered a number of years.³ On September 30, 1897 there were outstanding of these "B" and "C" Bonds \$1,544,000.00⁴ which now form a part of the bonded debt of Alabama. By Acts approved December 14, 1894 and March 17, 1895 the Legislature repealed the Acts which had authorized county and state aid to internal improvements.⁵ The Constitution of

Alabama, which became operative December 1, 1895, forbids the

1. \$1,000,000.00 in new bonds to be issued to the Alabama & Chattanooga Railroad Company designated as "class C" plus \$596,000.00 the limit set as the aggregate of the bonds (designated as "Class B") to be substituted for these bonds issued under Act of April 21, 1876. Sections 6-7 and 9-10 of the Act approved Feb. 20, 1876.
2. Report of the Committee by which the bill was passed. Senate Journal- 1895-6 p. 614.
3. The Auditors Report (p. 15) of 1896 shows that there had been issued of "Class B" \$578,000, leaving \$18,000 still to be issued; and of "Class C" \$966,000.00 leaving \$30,000 still to be issued.
4. "Class B" 578,000; "Class C" 966,000. Auditors Report 1897 p. 29.
5. Acts of Alabama 1894-5, p. 204

State or "any county, city, town or other sub-division of the state from engaging or encouraging works or internal improvement either by loans of money or credit, or by becoming stock-holders in such enterprises."¹ And thus was ended the last chapter in the history of public aid to internal improvements in Alabama.

1. Constitution of Alabama, Article IV., Sections 54-55.

